

## **BOARD OF DIRECTORS MEETING | Agenda**

**THURSDAY, MAY 25, 2023**

**OPEN SESSION – 8:30 AM**

**CLOSED SESSION – 8:40 AM**

**OPEN SESSION – 11:00 AM**

**BELLO VITA EVENT VENUE 4211 W. GOSHEN AVE., VISALIA, CA 93291**

At the discretion of the Board of Directors, all items appearing on this agenda, whether or not expressly listed for action, may be subject to action by the Board. The order of agenda items is subject to change.

Below is the meeting link for members of the public that would like to access the open session of the Board meeting via Teams at 8:30 a.m. and 11:00 a.m.

**Join on your computer, mobile app or room device**

[Click here to join the meeting](#)

Meeting ID: 225 724 371 199 Passcode: DqgjkD

**CALL TO ORDER/ROLL CALL – (ERICKSON)**

**APPROVAL OF THE AGENDA – (ERICKSON)**

### **1. ACTION ITEM (10 Minutes)**

A. FWA Membership Agreement with Pixley Irrigation District (Davis/Phillips)

**PUBLIC COMMENT ON CLOSED SESSION ITEMS – (DAVIS)**

**ADJOURN TO CLOSED SESSION (8:40AM)**

### **2. CLOSED SESSION**

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code section 54956.9(d)(1))

1. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
2. *Tehama Colusa Canal Authority v. California Dept. of Water Resources*, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS
3. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.

- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
(Government Code section 54956.9(d)(2))  
Significant Exposure to Litigation: Four potential matters.
- C. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION  
(Government Code section 54956.9(d)(4))  
Initiation of Litigation: Two potential cases.

**RECONVENE INTO OPEN SESSION (11:00 AM) (ANNOUNCE ANY REPORTABLE CLOSED SESSION ACTION.) - (ERICKSON)**

**PUBLIC COMMENT / PUBLIC PRESENTATIONS – (ERICKSON)**

Public comment is welcome at this time on any matter within the jurisdiction of the Board that is not on the agenda. Under the State's open meeting law - the Brown Act - no action may be taken on any item not on the agenda. Public comment on items on the agenda will be allowed at the time the Board considers the item.

**3. CONSENT CALENDAR – (5 MINUTES)**

The following routine matters will be acted upon by one vote, unless a Board Member requests separate consideration of the item.

- A. Approval of the Minutes – Board of Directors Meeting of April 27, 2023. (Erickson)
- B. Ratify May 2023 Bills and Accept the Financial Reports for April 2023. (Orvis)
- C. Approval of Previously Budgeted Crane Truck Purchase. (Hickernell)
- D. Approval of Amendment of Services Contract with MBK Engineers. (Buck-Macleod)

**4. ACTION ITEMS (Continued) (30 MINUTES)**

- A. Approval of Revisions to FWA's OM&R Cost Recovery Policy – Conveyance Rate Update. (Orvis)
- B. Approval of Revised Spending Plan, Middle Reach Capacity Correction Project, Phase 1. (Phillips/Orvis)

**5. GENERAL UPDATES & REPORTS (70 MINUTES)**

- A. FKC Middle Reach Capacity Correction Project Update - Construction Progress Report and Financial Summary. (Stantec Atkinson)/Amaral/Davis/Orvis/Phillips) (10 minutes)
- B. Water Operations Update. (Buck-Macleod) (15 minutes)
- C. External Affairs Activities. (Villines/Amaral) (10 minutes)
- D. O&M Report. (Hickernell) (5 minutes)
- E. San Joaquin Valley Blueprint Update. (Ewell) (10 minutes)
- F. San Luis & Delta-Mendota Water Authority Update. (Phillips/Orvis) (10 minutes)
- G. CEO Report. (Phillips) (10 minutes)

## ADJOURNMENT

### PUBLIC PARTICIPATION INFORMATION

Agenda reports and other disclosable public records related to each Open Session agenda item are available on FWA's website under "Calendar" at [Friantwater.org](http://Friantwater.org) and at FWA's main office, 854 N. Harvard Ave., Lindsay, CA 93247, during regular business hours. Under the Americans with Disabilities Act, if you require a disability-related modification or accommodation to participate in this meeting, including auxiliary aids or services, please contact Vivian Garcia at 559-562-6305 or [vgarcia@friantwater.org](mailto:vgarcia@friantwater.org) at least 48 hours prior to the meeting.

## AGENDA REPORT

NO. 1.A.

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Donald M. Davis, General Counsel

**SUBJECT:** **FWA Membership Agreement with Pixley Irrigation District**

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### SUMMARY:

After rejoining the Friant Water Authority (FWA) as an Associate Member in October 2022, the Pixley Irrigation District is requesting to become a General Member and O&M Project Member (collectively, “Member”) of FWA. In accordance with FWA’s joint powers agreement (“JPA”), a General Member and O&M Project Member may be admitted upon approval of at least 75% of the Board of Directors. Prior to becoming a Member, an agency must execute a membership agreement with FWA that establishes the terms and conditions of its membership.

### RECOMMENDED ACTION:

The Board approve a Membership Agreement with the Pixley Irrigation District.

### DISCUSSION:

Section 6.02 of the FWA joint powers agreement establishes the following process for regular Membership:

*Additional qualified parties may join this Agreement and become Members upon approval of directors representing 75% of the Board of Directors. ... Prior to becoming a Member, a party shall execute an agreement to be bound by the terms of this Agreement as if such party had been an original signatory hereto.*

The proposed form of Membership Agreement is attached and has been approved by the Pixley Irrigation District.

### BUDGET IMPACT:

The addition of Pixley Irrigation District as a Member will result in reduced overall General Member cost allocations as the costs get spread over more members. The revised General Membership percentages in accordance with Section 3.02(b) of the JPA are set forth in the amended “Exhibit A” of the JPA, which is Attachment 2 of the Membership Agreement.

### ATTACHMENTS:

Proposed Membership Agreement, including Attachment 1 (JPA) and Attachment 2 (Revised “Exhibit A” of JPA)



## **AMENDED AND RESTATED JOINT POWERS AGREEMENT FRIANT WATER AUTHORITY**

The parties hereto previously established and entered into a JOINT POWERS AGREEMENT of the Friant Water Authority (the "Authority"), effective as of January 19, 2004.

The parties hereto desire to amend and restate the JOINT POWERS AGREEMENT in certain respects, in the form of this AMENDED AND RESTATED JOINT POWERS AGREEMENT ("Agreement"). This Agreement is effective thirty (30) days after concurrence by 75% of the Members of the Authority, in accordance with Section 7.01 herein.

This Agreement is made pursuant to the Joint Exercise of Powers Act, by and between those irrigation districts, water districts, and other districts and public entities whose names are hereunto subscribed. The parties to this Agreement, together with their current addresses, are set forth in Exhibit "A" attached hereto and made a part hereof.

Said districts and public entities are hereinafter collectively referred to as the "parties," "member entities" or "members". The terms "parties," "member entities" or "members" shall include any parties subsequently becoming O&M Project Members, General Members or Associate Members in accordance with the terms of this Agreement, but shall exclude any parties that withdraw from this Agreement pursuant to the provisions of Section 6.02 hereof and Affiliates.

### **Recitals:**

This Agreement is made with reference to the following facts.

Each of the parties is a supplier of water and, therefore, is vitally interested in securing dependable and affordable sources of such water and the operation and maintenance of works designed to deliver such water. Each of the parties has the statutory power to preserve, defend and enhance its water supply, and desires to exercise such power in common with the other parties hereto for the purpose of preserving, defending and enhancing the parties' water supplies.

Each of the parties also has statutory power to acquire, construct, operate and maintain reservoirs, canals and works for the purpose of conserving, storing and distributing water, and desires to exercise such power in common with the other parties hereto for the purpose of operating and maintaining specified Project works of the Friant Division of the Central Valley Project, including, but not limited to, the Friant-Kern Canal, consisting of the Friant-Kern Canal in-line control facilities, turnouts, measuring devices, associated water level control devices, water level recording instruments and other appurtenant structures. The Friant Water Users Authority currently operates, maintains and funds the operation of the Friant-Kern Canal under contract to the United States, and it was anticipated that it may at some future date negotiate to own, operate, fund and/or control those and/or other Project works and other facilities necessary and incidental thereto, and may be involved in matters concerning the contractual and other rights to water of the parties. The Authority intends to negotiate an assignment of all assets, liabilities, rights and obligations of the Friant Water Users Authority in the contract with the

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United States. The Authority may at some future date, when the power is common to all members, develop, design, finance, acquire, construct, operate and maintain hydroelectric facilities.

NOW, THEREFORE, in consideration of the recitals set forth above and the mutual promises, covenants and conditions hereinafter set forth, it is agreed by and among the parties hereto as follows:

#### **Article 1: Definitions.**

As used in this Agreement, unless the context requires otherwise, the meaning of the terms hereinafter set forth shall be as follows:

(a) "Affiliate" shall mean individuals or entities who are not members of the Authority, but who share a common interest with the Authority in issues affecting the Friant Division and wish to provide contributions to the Authority to assist it in its activities. Affiliates shall be designated by the Board of Directors from time to time and shall share in the dissemination of information on water supply, water distribution and other matters of mutual interest. Affiliates shall have no rights, obligations, powers or vote in the Authority and shall be associated with the Authority only for purposes of sharing of information with members of the Authority for purposes of common benefit. Affiliates shall not be entitled to representation on the Authority's Board of Directors or on any committee.

(b) "Associate Members" shall mean those members of the Authority admitted in accordance with the terms and provisions of this Agreement that are not General Members, which are identified as Associate Members on Exhibit "A" attached hereto and made a part hereof. The Board of Directors may from time to time admit Associate Members on terms and conditions determined by the Board. Directors and committee members designated by Associate Members may attend all meetings of the Board or committee on which they serve, including closed or executive sessions, but shall be non-voting. Their presence shall not be counted in determining whether a quorum is present, and they shall not be deemed present for purposes of determining which directors or committee members are present and voting.

(c) "Authority" shall mean the Friant Water Authority, being the separate entity created by this Agreement.

(d) "Board of Directors" or "Board" shall mean the governing body of the Friant Water Authority as established by Section 3.01 of this Agreement.

(d) "Contract" shall mean the contract between the United States Bureau of Reclamation and the Friant Water Users Authority, which provides for operation and maintenance of the Friant-Kern Canal system.

(f) "Fiscal Year" shall mean that period of twelve (12) months which is established as the Fiscal Year of the Friant Water Authority pursuant to Section 4.01 of this Agreement.

(g) "General Members" shall mean those members of the Authority more particularly identified as General Members on Exhibit "A" attached hereto and made a part hereof, and any parties which shall hereafter become General Members in accordance with the terms and provisions of this Agreement. The General Members, in their capacity as General Members, shall not participate in contracting with the United States of America for operation and maintenance of the Friant-Kern Canal system, or have any other rights or obligations in connection therewith as General Members of the Authority. The General Members shall participate in other activities of the Authority as shall from time to time be carried out in accordance with this Agreement.

(h) O&M Project Members" shall mean those parties to this Agreement identified as O&M Project Members on Exhibit "A" attached hereto and made a part hereof, and any parties which shall hereafter become O&M Project Members in accordance with the terms and provisions of this Agreement. O&M Project Members must be General Members that are also long-term Friant Division contractors for water that receive water directly from the Friant-Kern Canal. All General Members eligible to be O&M Project Members must become O&M Project Members. The O&M Project Members shall participate in the Project involving the Contract with the United States of America for the operation, maintenance and funding of the Friant-Kern Canal system as more particularly defined herein, together with such other activities as may be necessary, incidental and convenient thereto. The O&M Project Members shall participate in other activities of the Authority as shall from time to time be carried out in accordance with this Agreement.

(i) "Project" shall have the meaning described in Article V of this Agreement.

(j) "Special Activities" shall mean activities that are consistent with the purpose of this Agreement, but which are undertaken by fewer than all the parties in the name of the Authority pursuant to Section 3.05 of this agreement.

## **Article II: Creation of Friant Water Authority**

### **Section 2.01 - Creation.**

The parties, pursuant to their joint exercise of powers, hereby create a public entity to be known as the "Friant Water Authority".

### **Section 2.02- Term.**

This Agreement shall remain in effect until terminated by mutual agreement of 75% of the Members of the Authority. Notwithstanding any other provision herein, this Agreement shall remain in effect and be binding upon the parties hereto and upon all subsequent parties joined herein for such a period as the Authority desires to engage in any activities under this Agreement. The foregoing provision shall not apply, however, to any party which withdraws or is terminated from its participation in the Authority in accordance with this Agreement.

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### **Section 2.03 - Purpose.**

The purpose of this Agreement is to provide for the joint exercise, through the Authority, of powers common to each of the parties to acquire, protect, preserve and enhance water supplies and water rights, enter into contracts, obligations and commitments with the United States of America, State of California, and other persons and entities in connection with carrying out its activities and interests, and to develop, design, finance, acquire, construct, operate and maintain dams, reservoirs, tunnels, conduits, canals and hydroelectric facilities at such time as the power to do so is common to all members as specified in this Agreement, and all related facilities necessary and incidental thereto in order to acquire, divert, store and distribute water for beneficial use, provide information on water supply, water distribution and operation and management problems affecting the parties, preserve and protect the rights and benefits of the parties in the Central Valley Project, and such other purposes as are incidental, necessary and convenient to the mutual benefit and interest of such purposes and of the members, including, but not limited to, acceptance of an assignment of the Contract as set forth herein.

### **Section 2.04 - Powers.**

The Authority shall have the power to take any action to carry out the purposes of this Agreement. Notwithstanding the foregoing, members of the Authority shall at all times retain control and authority, independent of the Authority, over their own internal matters, including water supplies, facilities, and water supply projects. The Authority is authorized, in its own name, to do all acts necessary for the exercise of said powers, including, but not limited to, any and all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain and operate any buildings, works, or improvements; to acquire by eminent domain, or otherwise, and to hold or dispose of any property; to sue and be sued in its own name; to incur debts, liabilities and obligations; and to issue bonds and all other forms of indebtedness, to the extent and on the terms provided by law for any of the parties herein or for any separate entity so permitted. The Authority may levy assessments, or in lieu, in whole or in part thereof fix and collect charges for any service furnished by the Authority. In accordance with California Government Code Section 6509, the foregoing powers shall be subject to the restrictions upon the manner of exercising such powers pertaining to TERRA BELLA IRRIGATION DISTRICT, as specified in the Irrigation District Law, Division 11 of the California Water Code, commencing at Section 20500.

## **Article III: Internal Organization.**

### **Section 3.01- Governing Body.**

The Authority shall be governed by a Board of Directors which is hereby established and which shall be composed of one (1) representative of each of the parties, and who shall be selected and designated in writing from time to time by the governing body of the respective party from among the members serving an elected term of that party's governing body; Each party, in addition to appointing its member to the Board, shall appoint at least one (1) alternate to the Board from among the members serving an elected term of that party's respective governing body; provided, however, that for a party with a Mayor-Council form of Government, the Mayor

shall be the Party's representative and, the Mayor shall appoint at least one (1) alternate to the Board who shall be an elected official, appointed official or employee of that party. The role of each alternate Director shall be to assume the duties of the Director appointed by his/her member entity in case of the absence or unavailability of such Director. The Directors and alternates so named shall continue to serve until their respective successors are appointed. Due to the fact that the national and state water, environmental, and political issues that involve the General Members are so complex, it is the intent of the parties that the Authority's directors and their alternates attend, whenever possible, the open and closed session board meetings of the Authority so that Alternate Directors are able to keep abreast of these matters and, thereby, be able to attend and vote upon issues that are presented at meetings when they are called on to attend in place of Directors.

Only O&M Project Member Directors, or any alternates then serving as Directors, shall participate in or vote on any matters coming before the Board involving the rights or obligations of the Authority or of the O&M Project Members in connection with the Agreement entered into by the Authority with the United States of America for the operation and maintenance of the Friant-Kern Canal system as defined herein, or any other matters necessary or incidental to such agreement for operation and maintenance. The Chair of the Board or, in his absence, the Vice Chair shall determine whether any question or matter coming before the Board involves the rights or obligations of the Authority or the O&M Project Members in connection with any Agreement entered into by the Authority with the United States of America for the operation and maintenance of the Friant-Kern Canal system.

### **Section 3.02 - Participating Percentages.**

(a) The participating percentages of the O&M Project Members shall be as set forth in Exhibit "A" attached hereto and made a part hereof. The formula for determining the participating percentages of the O&M Project Members provides that the participating percentages of the O&M Project Members are proportional to the average annual quantities of water available to the respective members under their long-term contracts with the United States Bureau of Reclamation (the "USBR") under the following formula:  $\text{Allocation Factor} = 2.33 \times \text{Class I Contract Total} + 1.00 \times \text{Class II Contract Total}$ . The participating percentage of each O&M Project Member shall be the percentage derived by dividing that member's Allocation Factor by the total of the Allocation Factors of all such members.

The above O&M Project Member participating percentages formula may be changed only upon a vote of at least 75% of the then-existing O&M Project Members. However, the participating percentages set forth in Exhibit "A" hereto shall be automatically amended from time to time without further action by the Authority or its members in the event of any change in the respective Contract Totals of water available to the O&M Project Members under their long-term contracts with the USBR. Such changes of the respective quantities of such water may result from changes in the long-term water supply contracts of the respective members with the USBR or from the addition or withdrawal from the Authority of O&M Project Members in accordance with this Agreement, in which event there shall be a reallocation of the participating percentages among the then remaining O&M Project Members after such change according to the above formula for O&M Project Members.

(b) The participating percentages of the General Members shall be as set forth in Exhibit "A" attached hereto and made a part hereof. The formula for determining the participating percentages of the General Members is based on the following: Fifty percent (50%) prorated equally to each member and fifty percent (50%) prorated in proportion to the quantities of water under long-term contracts with the United States Bureau of Reclamation for Friant Division water supplies under the formula:  $2 \times \text{Class I Contract Total} + 1 \times \text{Class II Contract Total}$ .

The above General Member participating percentages formula may be changed only upon a vote of at least 75% of the then General Members. However, the participating percentages set forth in Exhibit "A" hereto shall be automatically amended from time to time without further action by the Authority or its members in the event of any change in the respective Contract Totals of water available to the General Members under their long-term contracts with the USBR for Friant Division water supplies. Such changes in the respective quantities of such water may result from changes in the long-term water supply contracts of the respective members with the USBR or from the addition or withdrawal from the Authority of General Members in accordance with this Agreement, in which event there shall be a reallocation of the participating percentages among the then remaining General Members after such change according to the above formula for General Members.

### **Section 3.03 - Seal; Bylaws.**

The Board may adopt an official seal for the Authority and adopt such bylaws as it may deem necessary to regulate the affairs of the Authority in accordance with this Agreement. The bylaws may be amended from time to time by the Board as it may deem necessary.

### **Section 3.04 - Voting; Quorum.**

(a) Each member of the Authority shall be entitled to one (1) representative on the Board of Directors of the Authority. A majority in number of the O&M Project Members' representatives on the Board of Directors shall constitute a quorum for the transaction of O&M Project Members' business of the Authority. A majority in number of the representatives on the Board of Directors of the General Members shall constitute a quorum for the transaction of General Members' business.

(b) Each Member representative on the Board of Directors shall be entitled to one (1) vote.

(c) All questions and matters of any nature whatsoever coming before the Board below shall be determined, provided a quorum is present, by the concurrence of 75% of the representatives of the members of the Authority present and voting on such matter, except to the extent otherwise provided by this agreement or by law. Any representative abstaining from a vote shall be counted for purposes of determining the existence of a quorum, but shall not be deemed to be voting. If the question or matter coming before the Board of Directors is determined by the Chair or, in his absence, the Vice-Chair, to be an O&M Project

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Members' matter, the concurrence of 75% of the O&M Project Members present and voting shall be required. If the question or matter coming before the Board of Directors is determined to be a General Member matter, the concurrence of 75% of the General Members of the Authority present and voting shall be required. Amendment of this Agreement shall be governed by Section 7.01.

### **Section 3.05 - Special Activities.**

With the prior approval of the Board of Directors, members of the Authority may undertake Special Activities in the name of the Authority. Prior to undertaking a Special Activity, the members electing to participate in the Special Activity shall enter into an activity agreement. Such activity agreement shall provide that (i) the Authority is a signatory to the activity agreement, (ii) the Authority retains the right to terminate the activity agreement if the Board determines that participation in such activity agreement is no longer in the best interests of the Authority, provided, prior to any vote to terminate an activity agreement, written notice of the proposed termination and the reason(s) for such termination shall be presented at a regular Board of Directors meeting with opportunity for discussion. At the next regular Board of Directors meeting and prior to a vote regarding termination, the Members participating in the activity agreement subject to possible termination shall have the opportunity to respond to any reasons that may be cited as a basis for termination (iii) no Special Activity undertaken pursuant to such agreement shall conflict with the terms of this Agreement and (iv) the members signatory to the activity agreement shall indemnify, defend and hold the other parties to this Agreement and the Authority harmless from and against any liabilities, costs or expenses of any kind arising as a result of the Special Activity described in the activity agreement. All rights, benefits, debts, liabilities and obligations attributable to a Special Activity shall be rights, benefits debts, liabilities and obligations solely of the members that have entered into the activity agreement for that Special Activity, in accordance with the terms of the activity agreement, and shall not be the rights, benefits, debts, liabilities and obligations of those members that have not executed the activity agreement.

## **Article IV: Financial Provisions.**

### **Section 4.01 -Fiscal Year.**

The Fiscal Year of the Authority shall be from October 1 through September 30 of the next calendar year.

### **Section 4.02 - Funds; Accounts.**

The Secretary-Treasurer shall be responsible for all money of the Authority from whatever source. All funds of the Authority shall be strictly and separately accounted for and regular reports shall be rendered of all receipts and disbursements at least quarterly during the Fiscal Year. The books and records of the Authority shall be open to inspection by the member entities and by bondholders as and to the extent provided by resolution or indenture. The Secretary-Treasurer shall contract with a certified public accountant to make an annual audit of the accounts and records of the Authority which shall be conducted in compliance with

Section 6505 of the California Government Code.

#### **Section 4.03 - Property; Bonds.**

The Board of Directors shall from time to time designate the officers and persons, in addition to those specified in Section 4.02 above, who shall have charge of, handle, or have access to any property of the authority. Each such officer and person shall file a bond in an amount designated by the Board of Directors. Such designation shall be subject to ratification by the parties in compliance with California Government Code Section 6505.1.

#### **Section 4.04 - Budget.**

By a date set by the Board of Directors each Fiscal Year, the O&M Project Member representatives of the Board of Directors shall adopt an O&M budget for the Authority, and the General Member representatives of the Board of Directors shall adopt a General Member budget for the Authority.

#### **Section 4.05 -Contributions; Payments to the Authority**

(a) In accordance with the Contract, all fees, costs, and expenses incurred by the Authority in connection with the operation and maintenance of the Friant-Kern Canal system as defined herein shall be reimbursed to the Authority by the United States or directly from water service contractors.

Any expenses incurred by the Authority in connection with the Contract but finally determined to be nonreimbursable to the Authority by the United States of America under the terms and conditions of the Agreement with the United States of America, shall be allocated to and paid by the O&M Project Members based upon their participation percentage as more particularly set forth in Section 3.02 hereof.

(b) All fees, costs and expenses incurred by the Authority for General Member actions and activities not involving the Contract shall be allocated to and paid by the General Members in accordance with the participation percentage of the General Members as set forth in Section 3.02 hereof.

(c) The Authority may, in lieu, in whole or in part of levying assessments, fix and collect charges for any service furnished by the Authority to both members and nonmembers of the Authority.

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### **Article V: Friant Water Authority Project.**

#### **Section 5.01 - Description of Project.**

The Authority may seek assignment of the Contract or enter into a new contract with the United States of America, Bureau of Reclamation, to operate and maintain the Friant-Kern Canal in-line control facilities, turnouts, measuring devices, associated water level control devices,



water level recording instruments and other appurtenant structures, and may enter into contracts, obligations and commitments with the United States of America, State of California, and other persons and entities in connection with the development, design, financing, acquisition, construction, operation and maintenance of dams, reservoirs, tunnels, conduits, canals and hydroelectric facilities at such time as the power to do so is common to all members as specified in this Agreement, and all related facilities necessary and incidental thereto to acquire, divert, store and distribute water for beneficial use, provide information on water supply, water distribution and operation and management problems affecting the parties and preserve and protect the rights and benefits of the parties in the Central Valley Project, and such other activities as are incidental, necessary and convenient to the mutual benefit and interest of such purposes and of the members, including, but not limited to, acceptance of assignment of the Contract and specified Project works as set forth herein.

## **Article VI: Relationship of Friant Water Authority and Its Member Entities**

### **Section 6.01 - Separate Entity; Property.**

In accordance with California Government Code Sections 6506 and 6507, the Authority shall be a public entity separate from the parties to this Agreement. Unless and to the extent otherwise agreed herein, the debts, liabilities and obligations of the Authority shall not be debts, liabilities or obligations of the member entities. The Authority shall own and hold title to all funds, property and works acquired by it during the term of this Agreement, including without liability all assets acquired in connection with a Special Activity.

### **Section 6.02 -Admission, Withdrawal and Termination of Members.**

Admission, withdrawal or termination of a Member shall be documented on a revised Exhibit A that reflects such admission, withdrawal or termination. Additional qualified parties may join in this Agreement and become Members upon the approval of directors representing 75% of the Board of Directors. As provided in Article I (c), Associate Members may be admitted on terms and conditions set by the Board of Directors. Prior to becoming a new member, a party shall execute an agreement to be bound by the terms of this Agreement as if such party had been an original signatory hereto.

Notwithstanding anything herein to the contrary, any member entity may withdraw from this Agreement by giving written notice of its election to do so, which notice shall be given to the Board of Directors and to each of the other parties; provided, that such withdrawal does not in any way impair any contracts, resolutions, indentures or other obligations of the Authority then in effect. In the event of a disagreement between the Authority and the withdrawing party as to whether such withdrawal shall cause the impairment of any contracts, resolutions, indentures or other obligations of the Authority, such determination shall be made by the vote of 75% of the directors representing the non-withdrawing members present and voting.

Membership of a Member may be terminated by a vote of directors representing 75% of the General Members, and upon termination the affected Member shall no longer be a member of

the Authority. Prior to any vote to terminate a Member, written notice of the proposed termination and the reason(s) for such termination shall be presented at a regular Board of Directors meeting with opportunity for discussion. At the next regular Board of Directors meeting and prior to a vote regarding termination, the Member subject to possible termination shall have the opportunity to respond to any reasons and allegations that may be cited as a basis for termination.

A withdrawing member shall in all events remain liable for its proportionate share of (i) any call for funds or assessment levied by the Authority prior to the date of withdrawal, (ii) any multi-year contract entered into by the Authority while it was a member, and (iii) the amount of any budget approved prior to the date of withdrawal; provided, that a member not concurring in an amendment of this Agreement that withdraws within the thirty (30) day period described in Section 7.01 shall not be liable for any such amounts except to the extent provided below.

Any withdrawing or terminated member, including a member not concurring in an amendment of the Agreement that withdraws within the thirty (30) day period described in Section 7.01, shall remain liable for any liability of the Authority to the extent such liability arises from any action or inaction of that member occurring during the period in which the withdrawing or terminated member was a member of the Authority.

A member not concurring in an amendment of the Agreement that withdraws within the thirty (30) day period described in Section 7.01 or a member whose membership has been terminated by the Board of Directors shall be liable for their share of the approved budget as of the date of their withdrawal or termination, provided, that such share shall be further reduced by a percentage as determined by multiplying the number of months within the fiscal year for which such withdrawing or terminated members was not a member during any part of such month, divided by twelve. Any amounts advanced to the Authority by such member prior to withdrawal shall be applied to reduce the amount owed. Any advance to the Authority by such members which are in excess of amounts owed by such member shall be refunded to the member.

In the event a General Member withdraws from the Authority in accordance with the terms and conditions hereof, other than a member not concurring in an amendment of the Agreement that withdraws within the thirty (30) day period described in Section 7.01, such General Member shall not receive a refund of any amounts advanced to the Authority by such member prior to the date of its withdrawal.

In the event an O&M Project Member withdraws from the Authority or is terminated in accordance with the terms and conditions hereof, such O&M Project Member may be entitled to a repayment of such sums as may be due it in proportion to its participation percentage set forth herein, and subject to the terms, conditions and reimbursement provisions of any agreement then existing between the United States of America and the Authority for the operation and maintenance of the Friant-Kern Canal system.

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### **Section 6.03 -Disposition of Property Upon Termination or Determination by Board of Surplus.**

(a) Upon termination of this Agreement or upon determination by the Board that any surplus money is on hand, such surplus money shall be returned to the then member entities of the Authority which contributed such monies in proportion to their participation percentages. The Board of Directors shall first offer any properties, works, rights and interests of the Authority for sale to the member entities. If no such sale is consummated, then the Board of Directors shall offer the properties, works, rights and interests of the Authority for sale to any governmental agency, private entity or persons for good and adequate consideration. The net proceeds from any sale shall be distributed among the member entities in proportion to their participation percentages; provided, however, that all of the properties, works, rights and interests constituting a part of the operation and maintenance Project shall be sold, subject to the terms, conditions and restrictions on disposition, if any, as provided for in the Contract.

(b) If no such sale is consummated, then all of the properties, works, rights and interests of the Authority shall be allocated to the members in the same manner as the allocation of the net proceeds from the sale; provided, however, that all of the properties, works, rights and interests constituting a part of the operation and maintenance of the Friant-Kern Canal system shall be allocated to the O&M Project Members in accordance with their participation percentages and, in any event, any allocation of the properties, works, rights and interests or net proceeds therefrom shall be subject to the terms and conditions and restrictions on disposition, if any, as provided for in the Contract. The above allocation may be modified by the agreement of all the member entities.

### **Section 6.04 - Agreed Upon Share of Liability or Judgment for Damages.**

The parties to this Agreement do not intend hereby to be obligated either jointly or severally for the debts, liabilities or obligations of the Authority, except as may be specifically provided for in California Government Code Section 895.2 as amended or supplemented. Provided, however, if the members of the Authority are, under such applicable law, held liable for the acts or omissions of the Authority caused in the performance of this Agreement, caused by negligent or wrongful act or omission occurring in the performance of this Agreement, such parties shall be entitled to contribution from each of the other parties to the Agreement so that after said contribution each party shall bear a share equal to its participation percentage in existence at the time the subject act or omission occurred; Provided, however, that if such negligent act or wrongful act or omission occurs in the performance of the Contract, the share of each O&M Project Member in the liability or judgment for damages shall be determined by the participation percentages for O&M Project Members set forth in Section 3.03(a) in existence as of the date of the subject act or omission. The O&M Project Members shall indemnify, defend and hold harmless the General Members in their capacity as General Members from any liability, cause of action or damage in connection with the Contract. The right of contribution is limited to the amount paid in satisfaction of the judgment in excess of the participation percentage of the parties so paying. No party may be compelled to make contribution beyond its share based upon its participation percentage of the entire judgment in existence as of the date of the subject act or omission.

## **Article VII: Miscellaneous Provisions.**

### **Section 7.01 - Amendment.**

This Agreement may be amended from time to time by the concurrence of 75% of all of the General Members for General Member matters and 75% of all the O&M Project Members for O&M Project matters. To provide non-concurring parties an opportunity to withdraw from the Authority as provided herein, an amendment shall be binding on all parties hereto thirty (30) days after the required concurrence has been obtained. The Chair of the Board or, in his absence, the Vice Chair, shall determine whether an amendment relates to General Member matters or O&M Project matters.

### **Section 7.02 - Severability and Validity of Agreement.**

Should the participation of any party to this Agreement, or any part, term or provision of this Agreement be decided by the courts or the legislature to be illegal, in excess of that party's authority, in conflict with any law of the State of California, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions, terms or provisions of this Agreement shall not be affected thereby and each party hereby agrees it would have entered into this Agreement upon the same terms as provided herein if that party had not been a participant in this Agreement.

### **Section 7.03 - Assignment.**

Except as otherwise provided in this Agreement, the rights and duties of the parties to this Agreement may not be assigned or delegated without the advance approval by the Board of Directors.

### **Section 7.04 - Execution in Parts or Counterparts.**

This Agreement may be executed in parts or counterparts, each part or counterpart being an exact duplicate of all other parts or counterparts, and all parts or counterparts shall be considered as constituting one (1) complete original and may be attached together when executed by the parties hereto.

### **Section 7.05 - Notices.**

Notices authorized or required to be given pursuant to this Agreement shall be in writing and shall be deemed to have been given when mailed, postage prepaid, or delivered during working hours to the addresses set forth for each of the parties hereto on Exhibit "A" of this Agreement, or to such other changed addresses communicated to the Authority and the member entities in writing.

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IN WITNESS WHEREOF, the parties hereto, pursuant to concurrences by adopted motion or resolution duly and regularly adopted by their respective Board of Directors or governing board, have caused their names to be affixed below by their proper and respective officers.

This AMENDED AND RESTATED JOINT POWERS AGREEMENT shall be effective thirty (30) days after concurrence by 75% of the Members of the Authority. The effective date is inserted below.

Effective date: June 2, 2016


We hereby certify as follows:

1. The eleven Members of the Authority (which are both General Members and O&M Project Members) are the ORANGE COVE IRRIGATION DISTRICT, KERN-TULARE WATER DISTRICT, ARVIN-EDISON WATER STORAGE DISTRICT, TULARE IRRIGATION DISTRICT, PORTERVILLE IRRIGATION DISTRICT, LINDMORE IRRIGATION DISTRICT, SAUCELITO IRRIGATION DISTRICT, TERRA BELLA IRRIGATION DISTRICT, KAWEAH-DELTA WATER CONSERVATION DISTRICT, LINDSAY-STRATHMORE IRRIGATION DISTRICT, and the CITY OF FRESNO.
2. This AMENDED AND RESTATED JOINT POWERS AGREEMENT has been concurred in and approved by 75% of the members of the Authority.
3. The effective date of this AMENDED AND RESTATED JOINT POWERS AGREEMENT is June 2, 2016.

DATED: May 26, 2016

  
Eric Borba  
Chair, Friant Water Authority

DATED: May 26, 2016

  
Lucille Demetriff  
Secretary-Treasurer, Friant Water Authority

## **AGREEMENT TO JOIN FRIANT WATER AUTHORITY (Pixley Irrigation District)**

This Agreement to Join Friant Water Authority ("**Agreement**") is between the PIXLEY IRRIGATION DISTRICT ("**PIXLEY ID**") and the FRIANT WATER AUTHORITY ("**FWA**"), and is effective as of May 25, 2023 ("**Effective Date**").

### RECITALS

A. FWA is a joint powers authority organized under the California Joint Exercise of Powers Act (Government Code section 6500 and following).

B. The members of FWA are parties to a joint powers agreement ("**JPA**") by and between various water and irrigation districts and other public agencies that convey, store, and supply water for municipal, industrial or agricultural uses. The current JPA is attached as Attachment 1.

C. PIXLEY ID is an irrigation district duly organized and existing in the County of Tulare, State of California, pursuant to Division 11 of the California Water Code.

D. Section 6.02 of the JPA provides, in pertinent part, that new members may be admitted upon approval of directors representing 75% of the Board of Directors, and that prior to becoming a member of FWA, a party must execute an agreement to be bound by the terms of the JPA as if such party had been an original signatory to the JPA.

E. The Board of Directors of PIXLEY ID has authorized PIXLEY ID to join FWA as a General Member and O&M Project Member, as those terms are defined in the JPA, and has authorized its Board President and Secretary to sign this Agreement for PIXLEY ID to become a General Member and O&M Project Member of FWA and be bound by the terms and conditions of the JPA.

F. By a vote held at a duly noticed regular meeting of the Board of Directors of FWA, directors representing at least 75% of the FWA Board of Directors approved the admission of PIXLEY ID as a General Member and O&M Project Member of FWA, and authorized the Board Chair and Secretary to sign this Agreement.

### **THE PARTIES AGREE AS FOLLOWS:**

1. **Admission of PIXLEY ID.** Upon the full execution of this Agreement, PIXLEY ID will become a General Member and O&M Project Member of FWA. Exhibit A of the JPA is hereby amended to include PIXLEY ID as a Member in the list of members as provided in Attachment 2.

2. **Adherence to JPA and Bylaws.** PIXLEY ID agrees to be bound by the terms of the JPA as if it had been an original signatory to the JPA, and further agrees to comply with all applicable provisions of the FWA Bylaws, each as may be amended from time to time.

3. **Revised “Exhibit A” to JPA; General Membership Cost Share.** PIXLEY ID acknowledges and agrees that the revised “Exhibit A” to the JPA attached as Attachment 2 reflects the members of FWA as of the Effective Date, and their participating General Member percentages under the formula set forth in Section 3.02(b) of the JPA. The parties further acknowledge and agree that the assessment of PIXLEY ID’s proportionate share of General Member costs will begin effective June 1, 2023.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVES OF THE PARTIES have executed this Agreement to be effective on the date first above written.

**FWA:**

FRIANT WATER AUTHORITY

By: \_\_\_\_\_  
Jim Erickson, Chair

By: \_\_\_\_\_  
Josh Pitigliano, Secretary-Treasurer

**PIXLEY ID:**

PIXLEY IRRIGATION DISTRICT

By: \_\_\_\_\_  
Frank Junio, President

By: \_\_\_\_\_  
Eric Limas, Secretary

**ATTACHMENT 1**

**Current FWA JPA**



**ATTACHMENT 2**

**Revised “Exhibit A” to JPA**

Friant Water Authority Exhibit "A" for General Member Budget GENERAL MEMBER LIST AND ALLOCATION  Effective as of May 25, 2023*					Contract Supply % 50.00% Equal % 50.00% Total 100.00%		
District	CLASS I	CLASS I TIMES 2	CLASS II	2 X CLASS I PLUS CLASS II	CONTRACT WATER PERCENT	EQUAL ALLOCATION PERCENT	TOTAL ALLOCATION PERCENT
Arvin-Edison WSD	40,000	80,000	311,675	391,675	7.390%	2.632%	10.021%
City of Fresno	60,000	120,000	0	120,000	2.264%	2.632%	4.896%
Chowchilla WD	55,000	110,000	160,000	270,000	5.094%	2.632%	7.726%
Delano-Earlimart ID	108,800	217,600	74,500	292,100	5.511%	2.632%	8.143%
Fresno ID	0	0	75,000	75,000	1.415%	2.632%	4.047%
Kaweah Delta WCD	1,200	2,400	7,400	9,800	0.185%	2.632%	2.816%
Kern-Tulare WD	0	0	5,000	5,000	0.094%	2.632%	2.726%
Lindmore ID	33,000	66,000	22,000	88,000	1.660%	2.632%	4.292%
Lindsay-Strathmore ID	27,500	55,000	0	55,000	1.038%	2.632%	3.669%
Lower Tule River ID	61,200	122,400	238,000	360,400	6.800%	2.632%	9.431%
Madera ID	85,000	170,000	186,000	356,000	6.717%	2.632%	9.348%
Orange Cove ID	39,200	78,400	0	78,400	1.479%	2.632%	4.111%
Pixley ID	0	0	0	0	0.000%	2.632%	2.632%
Porterville ID	15,000	30,000	30,000	60,000	1.132%	2.632%	3.764%
Saucelito ID	21,500	43,000	32,800	75,800	1.430%	2.632%	4.062%
Shafter-Wasco ID	50,000	100,000	39,600	139,600	2.634%	2.632%	5.265%
Tea Pot Dome WD	7,200	14,400	0	14,400	0.272%	2.632%	2.903%
Terra Bella ID	29,000	58,000	0	58,000	1.094%	2.632%	3.726%
Tulare ID	30,000	60,000	141,000	201,000	3.792%	2.632%	6.424%
Associate Member							
Hills Valley ID						\$12,000 Annually	
Totals	663,600	1,327,200	1,322,975	2,650,175	50.000%	50.000%	100.000%

\*Delano-Earlimart & Shafter-Wasco ID added as a General Members in Fiscal Year 2023, effective April 27, 2023

\*Pixley ID added as a General Member in Fiscal Year 2023, effective May 25, 2023



## BOARD OF DIRECTORS MEETING | Minutes

THURSDAY, APRIL 27, 2023

CLOSED SESSION – 8:40 A.M. /OPEN SESSION – 8:30 A.M. and 11:00 A.M.

BELLO VITA 4211 W. GOSHEN AVENUE, VISALIA, CA 93291

### CALL TO ORDER/ROLL CALL

Chairman Jim Erickson called to order the noticed meeting of the Board of Directors of the Friant Water Authority at 8:32 a.m.

### ATTENDANCE:

#### Directors Present:

Edwin Camp	Arvin-Edison W.S.D. (AEWSD)
Roger Schuh	Chowchilla W.D. (CWD)
Brock Buche	City of Fresno (CofF)
George Porter	Fresno I.D. (FID)
Loren Booth	Hills Valley I.D. (HVID)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Andrew Hart	Kern-Tulare W.D. (KTWD) (Observer/Non-Voting)
Michael Brownfield	Lindmore I.D. (LID)
Cliff Loeffler	Lindsay-Strathmore I.D. (LSID)
Josh Pitigliano	Lower-Tule River I.D. (LTRID)
Jim Erickson	Madera I.D. (MID)
Arlen Miller	Orange Cove I.D. (OCID)
Eric Borba	Porterville I.D. (PID)
Steven G. Kisling	Saucelito I.D. (SID)
Matthew Leider	Teapot Dome W.D. (TPWD)
Geoff Galloway	Terra Bella I.D. (TBID)
Rick Borges	Tulare I.D. (TID)

#### Associate Members:

Kelley Hampton	Delano Earlimart Irrigation District (DEID)
Keith Cosart	Exeter Irrigation District (EID)
Doug Phillips	Ivanhoe Irrigation District (IID)
Craig Fulwyler	Shafter Wasco Irrigation District (SWID)
John Werner	Stone Corral I.D. (SCID)

#### Directors Absent:

None.

#### Associate Members Absent:

Bill DeGroot	Pixley Irrigation District (PID)
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## APPROVAL OF THE AGENDA

The Board approved the agenda as presented.

**M/S/C** – Motion by Director Tantau, seconded by Director Brownfield, to approve the agenda as presented. The motion carried. (Roll Call Vote: Ayes – AESWD, CofF, CWD, FID, KDWCD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TID; Nays – 0; Absent – KTWD)

### 1. ACTION ITEM

- A. FWA Membership Agreements with Delano-Earlimart Irrigation District and Shafter-Wasco Irrigation District (Davis/Phillips)

**M/S/C** – Motion for by Director Tantau, seconded by Director Camp, to approve the addition of **Delano Earlimart Irrigation District** as member of FWA. The motion carried. The motion carried. (Roll Call Vote: Ayes- AESWD, CofF, CWD, FID, KDWCD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TID; Nays – 0; Absent – KTWD)

**M/S/C** – Motion for by Director Tantau, seconded by Director Loeffler, to approve the addition of **Shafter-Wasco Irrigation District** as a member of FWA. The motion carried. (Roll Call Vote: Ayes – AESWD, CofF, CWD, FID, KDWCD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TID; Nays – 0; Absent – KTWD)

PUBLIC COMMENT ON CLOSED SESSION ITEMS

None.

ADJOURN TO CLOSED SESSION (DAVIS)

### 2. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Government Code section 54956.9(d)(1))

1. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
2. *Tehama Colusa Canal Authority v. California Dept. of Water Resources*, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS
3. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.

- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
(Government Code section 54956.9(d)(2))  
Significant Exposure to Litigation: Four potential matters.

- C. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION  
(Government Code section 54956.9(d)(4))  
Initiation of Litigation: Two potential cases.

### RECONVENE INTO OPEN SESSION

(11:56 a.m.) - There was no reportable action taken during closed session.

### PUBLIC COMMENT / PUBLIC PRESENTATIONS

Shane Smith was introduced by Director Tantau as the new manager for Kaweah Delta W.C.D.

Shafter Wasco Irrigation District (SWID) and Delano Earlimart Irrigation District (DEID) were welcomed as members to FWA following the Board approval of their memberships as noted above..

### 3. CONSENT CALENDAR

A. Approval of the Minutes – Board of Directors Meeting of March 23, 2023. (Erickson)

B. Ratify April 2023 Bills and Accept the Cash Activity Reports for March 2023. (Orvis)

**M/S/C** – Motion by Director Borba, seconded by Director Borges, to approve the consent calendar as presented with a correction to the minutes identifying Sean Geivet as manager of Porterville I.D. not Tea Pot Dome. The motion carried. (Roll Call Vote:

Ayes– AESWD, Coff, CWD, DEID, FID, KDWCD, LID, LSID, LTRID, MID, OCID, PID, SID, SWID, TPWD, TID; Nays – 0; Absent – KTWD)

### 4. ACTION ITEMS

A. Resolution Authorizing Application for and Participation in Bureau of Reclamation Snow Water Supply Forecasting Grant Program (Buck-Macleod/Duncan)

**M/S/C** – Motion by Director Porter, seconded by Director Camp, to approve Resolution No. 2023-01 . The motion carried. (Roll Call Vote: Ayes– AESWD, CWD, DEID, FID, KDWCD, LID, LSID, LTRID, MID, OCID, PID, SID, SWID, TPWD, TID; Nays – 0; Absent – Coff, KTWD)

B. Fiscal Year 2022 Independent Financial Statement Audit (Orvis)

**M/S/C** – Motion by Director Loeffler, seconded by Director Borba, to approve the item as presented the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2022. The motion carried. (Roll Call Vote: Ayes– AESWD, CWD, DEID, FID, KDWCD, LID, LSID, LTRID, MID, OCID, PID, SID, SWID, TPWD, TID; Nays – 0; Absent – Coff, KTWD)

### 5. GENERAL UPDATES & REPORTS (70 MINUTES)

A. FKC Middle Reach Capacity Correction Project Update - Construction Progress Report

and Financial Summary – Stantec’s Janet Atkinson provided a project update. She reported that the contractor has worked 450 calendar days.; there have been occasional weather delays, as a result they have been working Monday through Saturday. As of end of March (based on cost) approximately 59.2 percent of the original contract amount, and the elapsed time approximately 50 percent of the total contract time. There were 2 change orders this month totaling \$478,000. The largest change order was to dewater the TBID borrow pit area after the flooding in early March.

- B. Water Operations Update. – WRM Buck-Macleod provided a water operation update as outlined in the agenda report. The exceptionally wet hydrology continued through March and has resulted in major improvements in water supply outlooks. April precipitation has been well below average. Flood releases from Millerton to the river and uncontrolled season resumed on March 9th. On April 20th, Reclamation updated 2023 allocations with South-of-Delta agricultural water service contractor allocation increasing to 100%. Friant allocations of 100% Class 1 allocations and 70% Class 2 remained the same.
- C. External Affairs Activities– COO/CEA Amaral & Mike Villines provided an update on External Affairs activities as outlined in the agenda report. In State affairs, The budget deficit is continuing to balloon as California has seen a decline in Personal Income Tax payments and Corporate Tax payments. The Governor’s January budget anticipated using the state reserves to cover the deficit which allowed him to avoid announcing cuts. However, it seems clear now that the reserve of \$15-\$17 billion will be eaten up and a significant deficit will exist of at least \$10-\$15 billion. As for Federal affairs, it was reported that Biden Administration Cabinet secretaries will kick off appropriations season by testifying on Capitol Hill to defend President Biden's FY 2024 budget request, as Republicans mount a counteroffensive to increased spending in the budget request. Additionally, the Biden Administration announced it is proposing a federal rulemaking setting new drinking water limits for toxic “forever” chemicals known as PFAS.
- D. O&M Report– Superintendent Hickernell provided an update on current O&M activities as outlined in the agenda report. Staff worked with Stantec on the Water Quality monitoring program. Employees received First aid and CPR training, medical topics such as how to recognize a common medical emergency, provide support care, know what to do and know when to summon for help, hands choking situations, and CPR. Friant staff has worked 2349 days without a lost-time injury accident; additionally, staff has worked 415 days without a liability accident.
- E. San Joaquin Valley Blueprint Update – Austin Ewell provided an update on San Joaquin Blueprint activities as outlined in the agenda report. He reported Hallmark and Providence have completed their management transition as of the Blueprint Board meeting on April 19th. Hallmark’s management/executive services started March 1st. Hallmark provided an overview of their work to date consistent with the initial cap on expenditures and next steps. It was reported that the drinking water feasibility study from CSU Fresno, has been focused on identifying potential Fresno County districts/areas generally for recharge projects encompassing the Friant Place of Use boundaries.
- F. San Luis & Delta-Mendota Water Authority Update – CFO Orvis provided an update on

current activities of SLDMWA. He reported that the SLDMWA Water Year 2023 rates were revised April 6, 2023. Additionally, at a March 13, 2023, workshop discussion on this issue and at the April 3, 2023 FAC meeting, there was considerable dialogue regarding this requirement in SLDMWA's Cost Recovery Policy and the potential impact of inclusion in the rates to SLDMWA's cash flow needs during the year. As for San Joaquin River Releases to Mendota Pool, discussions continue regarding how these releases are to be treated under the Memorandum of Understanding between FWA and SLDMWA.

- G. CEO Report - CEO Phillips provided an update on current activities of the CEO. He extended the invitation for all on May 4<sup>th</sup> to see the panel discussion in which he, John Duarte, and Allison Febbo will partake on the Water Forum. Representative David Valadao's bill will also be introduced at this forum providing the perfect opportunity for discussion. He also reminded everyone of the ACWA conference, and advised that while the Friant dinner was fully subscribed, we may be able to accommodate additional attendees. Additionally, he encouraged everyone to attend meetings during ACWA with the Bureau. Furthermore, he reminded everyone of the FWA trip to D.C. in May.

## 6. ADJOURNMENT

The meeting adjourned at 1:05 p.m.

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Jason R. Phillips, Chief Executive Officer  
Frian Water Authority

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Vivian Garcia, Recording Secretary  
Frian Water Authority

## OTHERS IN ATTENDANCE:

Aaron Fukuda	Tulare I.D.
Alan Doud	Young Wooldridge
Alex Peltzer	Counsel Various Districts
Austin Ewell	California Blueprint
Bill Luce	Luce Consulting
Bill Stretch	Fresno I.D.
Brandon Herreman	U.S. House of Representatives, Field Rep.
Brandon Tomlinson	Chowchilla W.D.
Brian Henderson	Hudson Henderson & Co.
Brian Thomas	FWA Consultant
Cathy Mary Wise	USBR
Chris Hickernell	FWA
Chris Hunter	Lindmore I.D.
Craig Wallace	Lindsay-Strathmore I.D.
David Dees	FWA
David Wierenga	Delano-Earlimart I.D.
Dina Nolan	Madera I.D.
Don Davis	FWA General Counsel
Don Wright	Water Wrights
Douglas DeFlicht	Douglas DeFlicht Consulting LLC.
Douglas Jackson	Water & Land Solutions
Doug Gosling	Braun Gosling Attorneys
Dyson Schneider	Limoneira Ranch
Eric Limas	Lower Tule River I.D., Tea Pot Dome W.D.
Eric Quinley	Delano-Earlimart I.D.
Fergus Morrissey	OCID
Gene Kilgore	EID, IID, SCID
Geoff Vanden Heuvel	Milk Producers Council
Heoth Wooten	DEID
Ian Buck-Macleod	FWA
Janet Atkinson	Stantec
Jason Phillips	FWA
Jeevan Muhar	Arvin-Edison W.S.D.
Jennifer Evans	Elevated Ag
Joe Hughes	Klein Law Group
John Bezdek	FWA Special Counsel
Johnny Amaral	FWA
Katie Duncan	FWA
Kris Lawrence	Shafter-Wasco I.D.
Kuyler Crocker	CCM
Maggie Suarez	FWA
Mia Swenson	FWA
Mike Villines	Villines Group
Nick Keller	Hills Valley I.D.
Roland Gross	SSJMUD
Ronnie Castro	Tea Pot Dome W.D.



Sean Geivet	SID, PID, Terra Bella I.D.
Sebastian Silveira	Gladstone Land Corp.
Shane Smith	KDWCD
Skye Grass	Kern-Tulare W.D.
Tom Barcellos	Lower Tule River I.D.
Tom Greci	Madera I.D.
Shelly Abajian	U.S. Senator Diane Feinstein
Steve Ottemoller	Ottemoller Consulting Services
Vivian Garcia	FWA
Wilson Orvis	FWA

## Agenda Report

No. 3.B.

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Wilson Orvis, CFO

**SUBJECT:** Approve Bills for the Month of May 2023 and Accept the Financial Reports for Month Ending April 30, 2023

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### SUMMARY:

The Finance Committee met on May 22, 2023 and reviewed the bills for May 2023 and the financial reports for month ending April 30, 2023. There was a quorum at the meeting.

### FINANCE COMMITTEE ACTION:

At the May 22, 2023 meeting, the Finance Committee acted to recommend that Board of Directors approve payment of the May 2023 bills in the amount of \$3,660,224.98 and accept the Financial Reports for month ending April 30, 2023.

### SUGGESTED MOTION:

I move that the Board of Directors approve payment of the April 2023 bills in the amount of \$3,660,224.98 and accept the Financial Reports for month ending April 30, 2023.

### BUDGET IMPACT:

- \$2,990,919.61 (bills) and \$261,551.44 (payroll) is chargeable to the FY 2023 Operations, Maintenance, and Replacement (OM&R) Budget. Of that amount, \$1,339,985 was paid to FKC Districts for the FY 2022 OM&R refund.
- \$86,038.42 (bills) and \$66,204.38 (payroll) is chargeable to the FY 2023 General Membership Budget;
- \$219,390.13 is to be recovered under existing grant agreements;
- \$36,121.00 is chargeable to Middle Reach Capacity Correction Project, Phase 1; and

### ATTACHMENTS:

Friant Water Authority Bills to be Paid, Budget-to-Actuals, and Cash Activity Reports

# FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, MAY 2023

BILLS PAID MAY 15, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
1	AAA TRUCK SERVICE, INC.	\$ 49.87	\$ -	\$ 49.87	Parts-Delano Shop
2	ACWA / JPIA	71,890.07	7,381.60	79,271.67	Medical, Dental & Vision Insurance
3	AIRBORNE SNOW OBSERVATORIES	25,768.58	-	25,768.58	Snow Pack Survey
4	AMARAL, JOHNNY	804.35	-	804.35	Expense Claim Reimbursement
5	AMAZON CAPITOL SERVICES, INC.	1,963.68	-	1,963.68	Kitchen Supplies
6	ARVIN-EDISON WATER STORAGE DISTRICT	3,811.88	-	3,811.88	2022 SLDMWA Adjustment
7	AT&T	543.36	-	543.36	Utilities-Telephone
8	Bank of America	22,303.04	6,887.43	29,190.47	Various Visa Charges
9	BANTA-CARBONA IRRIGATION DISTRICT	648,405.00	-	648,405.00	Water Conveyance-March
10	BATTERY SYSTEMS INC.	1,417.12	-	1,417.12	Battery Replacement-Delano Yard and Water Ops
11	BELLO VITA VENUE	1,262.97	-	1,262.97	BOD Meeting Venue-April
12	BIG GREEN IT, LLC	2,063.00	-	2,063.00	Microsoft 365 license, Teams
13	BOOT BARN INC.	994.84	-	994.84	Safety Boots (5 Pairs)
14	BRIAN G. THOMAS CONSULTING, LLC	2,500.00	-	2,500.00	Consulting Services-March & April
15	BSE RENTS	239.78	-	239.78	Concrete Mixer Rental-Lindsay
16	CAJIMAT, CHARMEL	561.92	-	561.92	Expense Claim Reimburesment
17	CALCHAMBER	749.00	-	749.00	Annual Membership Dues
18	CENTRAL VALLEY BUSINESS FORMS INC	15,706.62	-	15,706.62	Annual Meeting Supplies, Safety Awards, Office Supplies
19	CINTAS CORPORATION #2	923.15	-	923.15	Uniform Services-Lindsay & OC Yard
20	CINTAS CORPORATION #3	380.19	-	380.19	Uniform Services-Delano Yard
21	CITY OF DELANO	23.54	-	23.54	Utilities-Delano
22	COASTLINE EQUIPMENT	32,250.00	-	32,250.00	Deposit for Crane Truck (FY23 Budget)
23	COMMUTER INDUSTRIES	-	3,575.00	3,575.00	Website Design/Outreach Material Update
24	CRAIGS AUTO PARTS	312.91	-	312.91	Parts & Supplies-Lindsay Yard
25	CULLIGAN OF FRESNO	125.40	-	125.40	Water Services
26	DINUBA LUMBER COMPANY	969.56	-	969.56	Parts & Supplies-OC Yard
27	ENVIRONMENTAL SCIENCE ASSOCIATES	27,581.29	-	27,581.29	Professional Services-March (CEQA documentation for Water Quality)
28	EVOLUTION AUTO GLASS & WINDOW TINT	285.00	-	285.00	Parts & Supplies-Lindsay Yard
29	EXECUTIVE SUITES AT RIVER BLUFF, LP	-	2,005.00	2,005.00	Office Rent- Fresno May
30	FRESNO IRRIGATION DIST.	1,280.33	-	1,280.33	2022 SLDMWA Adjustment
31	FRONTIER	1,001.13	-	1,001.13	Utilities-Telephone
32	FRONTIER PERFORMANCE LUBRICANTS INC	154.80	-	154.80	Parts & Supplies-Lindsay Yard
33	FRUIT GROWERS SUPPLY CO	706.87	-	706.87	Parts & Supplies-OC Yard & Water Ops
34	GRAINGER	1,312.09	-	1,312.09	Parts & Supplies-OC Yard
35	GRAVELLY FORD WATER DISTRICT	655.30	-	655.30	2022 SLDMWA Adjustment
36	GRAYBAR	5,263.53	-	5,263.53	Parts & Supplies-Water Ops

# FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, MAY 2023

BILLS PAID MAY 15, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
37	GROSSMAYER & ASSOCIATES	232.50	-	232.50	Great Plains Support
38	HOME DEPOT CREDIT SERVICES	5,292.11	-	5,292.11	Parts & Supplies-All Yards
39	HUDSON, HENDERSON & CO, INC.	15,900.00	-	15,900.00	FY22 Audit Work
40	HYDRAULIC CONTROLS INC	389.20	-	389.20	Parts & Supplies-Lindsay Yard
41	JORGENSEN COMPANY	197.59	-	197.59	Parts & Supplies-Lindsay Yard
42	KASEYA US LLC	1,594.44	-	1,594.44	IT Support Services
43	KERN - TULARE WATER DISTRICT	79.95	-	79.95	2022 SLDMWA Adjustment
44	LAWSON PRODUCTS	215.08	-	215.08	Parts & Supplies-Lindsay Yard
45	LEE'S SERVICE, INC.	1,396.25	-	1,396.25	Parts & Service-OC Shop
46	LINCOLN NATIONAL LIFE INSURANCE CO.	4,006.22	260.40	4,266.62	Disability Insurance
47	LOWER TULE RIVER I D	89.69	-	89.69	2022 SLDMWA Adjustment
48	MADERA COUNTY ENGINEERING	446.49	-	446.49	Overpayment Invoice 115695
49	MARTIN TERMITE & PEST CONTROL	105.00	-	105.00	Pest Control Service-Water Ops
50	MID VALLEY DISPOSAL	160.08	-	160.08	Waste Disposal Service
51	MONARCH FORD	3,059.75	-	3,059.75	Transmission Housing Assembly Service
52	MOONLIGHT MAINTENANCE SERVICES	2,177.00	-	2,177.00	Janitorial Services- All Yards
53	NUTRIEN AG SOLUTIONS	99,152.91	-	99,152.91	Round Up Custom(1060 Gal) Pro (1325 Gal) Cheetah Pro (265 Gal)
54	ORANGE COVE TIRE SERVICE	102.00	-	102.00	Tire Repair-OC Shop
55	PACIFIC GAS & ELECTRIC	256.41	-	256.41	Utilities-Electricity
56	PAPE KENWORTH	45.30	-	45.30	Parts & Service-Delano Shop
57	PBW DISTRIBUTOR INC	188.59	-	188.59	Parts & Supplies-Delano Yard
58	PORTERVILLE FORD	154.83	-	154.83	Parts & Service-Lindsay Shop
59	PORTERVILLE LOCK & SAFE	189.77	-	189.77	Lock Repairs-Lindsay Yard
60	POWER BUSINESS TECHNOLOGY	43.19	-	43.19	Toner Service
61	PRINCIPAL LIFE INSURANCE COMPANY	-	1,302.81	1,302.81	Retirement Plan
62	PSW	15.00	-	15.00	Shredding Rental
63	QUADIENT FINANCE USA, INC	944.90	-	944.90	Postage Services
64	QUILL CORPORATION	368.66	-	368.66	Office Supplies
65	QUINN COMPANY	318,104.25	-	318,104.25	Fixed Asset-Motor Grader
66	REGO CONSULTING CORPORATION	742.50	-	742.50	PowerApps Consultant
67	ROBERT V. JENSEN, INC.	6,751.75	-	6,751.75	Unleaded Fuel-Lindsay (800 gallons), Diesel Fuel (800)
68	SAN JOAQUIN PEST CONTROL	94.00	-	94.00	Pesticide Services-Lindsay Yard
69	SAN JOAQUIN PEST CONTROL	110.00	-	110.00	Pesticide Services-OC Yard
70	SAN JOAQUIN PEST CONTROL	80.00	-	80.00	Pesticide Services-OC Yard
71	SEVIERS AUTO SUPPLY	652.08	-	652.08	Parts & Supplies-Delano Yard
72	SHERWIN WILLIAMS CO.	668.56	-	668.56	Paint Supplies-Lindsay Yard

# FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, MAY 2023

BILLS PAID MAY 15, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
73	SMART & FINAL CORP	73.46	-	73.46	Kitchen Supplies-Delano Yard
74	SO CAL GAS	396.32	-	396.32	Utilities-Natural Gas
75	SOUTHERN CALIF EDISON	3,717.87	-	3,717.87	Utilities-Electricity
76	SPARKLETTS	228.71	-	228.71	Water Services-Lindsay
77	SPARKLETTS	28.98	-	28.98	Water Services
78	STANDARD INSURANCE CO	7,215.42	1,804.13	9,019.55	Survivor's Life Insurance
79	STOEL RIVES LLP	-	272.01	272.01	Consulting Services-March
80	SUAREZ, MARGARITA	56.33	-	56.33	Expense Claim Reimbursement
81	TAM N TJ'Z COOLING N HEATING INC	9,575.00	-	9,575.00	AC Repair-Lindsay Office
82	THE REDESIGN GROUP	1,500.00	-	1,500.00	IT Support-Help Desk, Azure Cloud Subscription
83	THOMAS HARDER & CO.	3,888.75	-	3,888.75	Consulting Services-December
84	TOSHIBA FINANCIAL SERVICES	2,698.30	-	2,698.30	Office Equipment Lease-May
85	TULARE IRRIGATION DISTRICT	770.01	-	770.01	2022 SLDMWA Adjustment
86	VALLEY PACIFIC PETROLEUM SERVICES, INC.	2,646.03	-	2,646.03	Diesel Fuel-Delano (501)
87	VERIZON WIRELESS	5,164.61	-	5,164.61	SCADA Mobile to Mobile April
88	WATER AND POWER LAW GROUP PC	-	19,910.68	19,910.68	Speical Counsel Services-April
89	WATERMILL GROVE	1,670.17	-	1,670.17	Annual Dinner-Dinner Set-up
90	XEROX FINANCIAL SERVICES	6,980.66	-	6,980.66	Equip. Lease-Lindsay Office January-April
91	ZENITH INSURANCE COMPANY	13,997.00	-	13,997.00	Workers Compensation
92	ZIX CORPORATION	840.00	-	840.00	Email Security Service - Feb, Mar & Apr
93	SUBTOTAL SPENDING	1,399,713.84	43,399.06	1,443,112.90	
94	FY 2022 FKC Refund	1,339,985.00		1,339,985.00	FKC O&M Budget-FY2022 Refund
95	PAYROLL FWA	154,186.99	38,882.06	193,069.05	
96	TOTAL OM&R	\$ 2,893,885.83	\$ 82,281.12	\$ 2,976,166.95	

97	Middle Reach Capacity Correction Project Phase 1				
98	BRIAN G. THOMAS CONSULTING, LLC	\$ 11,800.00	\$ -	\$ 11,800.00	Consulting Services-March & April
99	SUBTOTAL - MRCCP PHASE 1	\$ 11,800.00	\$ -	\$ 11,800.00	

100	PUMBPBACK GRANTS				
101	CDM SMITH	\$ 17,858.24	\$ -	\$ 17,858.24	Professional Services-April
102	PROVOST & PRITCHARD INC	83,174.60	-	83,174.60	Consulting Services-March
103	STANTEC CONSULTING SERVICES INC.	118,357.29	-	118,357.29	Consulting Services-March
104	SUBTOTAL - GRANTS	\$ 219,390.13	\$ -	\$ 219,390.13	

**TOTAL - MID MONTH** **\$ 3,125,075.96 \$ 82,281.12 \$ 3,207,357.08**

BILLS TO BE PAID MAY 25, 2023						
NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION	
106	AMAZON CAPITOL SERVICES, INC.	\$ 672.35	\$ -	\$ 672.35	Computer Monitors & Supplies	
107	AUTO ZONE, INC.	303.80	-	303.80	Parts & Supplies-Delano Yard	
108	Bank of America	4,162.30	15,903.46	20,065.76	Various Visa Charges	
109	BANTA-CARBONA IRRIGATION DISTRICT	110,160.00	-	110,160.00	Water Conveyance-April	
110	BILL LUCE CONSULTING	1,468.50	577.50	2,046.00	Consulting Services-April	
111	BLANKINSHIP & ASSOCIATES, INC.	1,033.33	-	1,033.33	Consultant Services-May	
112	BURKE, WILLIAMS & SORENSEN, LLP	50,064.08	13,075.00	63,139.08	Professional Services-February, March	
113	CALIFORNIA COMPUFORMS	449.48	-	449.48	Office Supplies-Backdrop	
114	CINTAS CORPORATION #2	1,353.96	-	1,353.96	Uniform Service-OC, Lindsay Yard	
115	CINTAS CORPORATION #3	126.73	-	126.73	Uniform Service-Delano Yard	
116	CITY OF LINDSAY	273.07	-	273.07	Utilities-Lindsay	
117	CITY OF ORANGE COVE	478.37	-	478.37	Utilities-Orange Cove	
118	CULLIGAN OF LINDSAY	100.00	-	100.00	Water Services	
119	DINUBA LUMBER COMPANY	731.15	-	731.15	Parts & Supplies-OC Yard	
120	ENVIRONMENTAL SCIENCE ASSOCIATES	12,727.71	-	12,727.71	Professional Services-April (CEQA documentation for Water Quality)	
121	EVOLUTION AUTO GLASS & WINDOW TINT	500.00	-	500.00	Windshiled Repair-Caterpillar	
122	FOOTHILL AUTO TRUCK & AG PARTS, INC.	1,458.89	-	1,458.89	Parts & Supplies-OC Yard	
123	FRUIT GROWERS SUPPLY CO	827.07	-	827.07	Parts & Supplies-Lindsay Yard	
124	FUSION CLOUD SERVICES, LLC	212.40	-	212.40	Utilities-Telephone Service	
125	GROSSMAYER & ASSOCIATES	155.00	-	155.00	Great Plains Support	
126	KAN VENTURES, INC.	302.21	4,000.00	4,302.21	Consulting Services-May	
127	LINDE GAS & EQUIPMENT INC.	181.82	-	181.82	Welding Supplies-Delano Yard	
128	N & S TRACTOR	655.48	-	655.48	Replacement Equipment-Lindsay	
129	ORANGE COVE TIRE SERVICE	534.58	-	534.58	Tire Repair- OC Yard	
130	OTTEMOELLER CONSULTING SERVICES, LLC	4,829.25	274.00	5,103.25	Consulting Services-April	
130	PACIFIC GAS & ELECTRIC	3,005.06	-	3,005.06	Utilities-Electricity	
131	PAESANO FARMS	7,478.65	-	7,478.65	Goat Grazing- 14.957 acres	
132	PBW DISTRIBUTOR INC	248.56	-	248.56	Parts & Supplies-Delano Yard	
133	QUINLEY, ERIC	-	1,251.90	1,251.90	Reimbursement-Quinley Flight	
134	QUINN COMPANY	667.16	-	667.16	Parts & Supplies-Delano Shop	
135	RED WING BUSINESS ADVANTAGE	382.72	-	382.72	Safety Boots (2)	
136	ROBERT V. JENSEN, INC.	8,154.50	-	8,154.50	Unleaded Fuel-OC Yard(1490 Gal), Diesel(600 Gal)	
137	SAFETY NETWORK TRAFFIC SIGNS	960.85	-	960.85	Safety Signs-Lindsay Yard	
138	SAN JOAQUIN PEST CONTROL	94.00	-	94.00	Pest Control Services-May	
139	SEVIERS AUTO SUPPLY	61.46	-	61.46	Parts & Supplies-Delano Yard	
140	SHERWIN WILLIAMS CO.	244.17	-	244.17	Paint Supplies-Lindsay Yard	
141	SMART & FINAL CORP	11.00	-	11.00	Kitchen Supplies-Delano Yard	
142	SO CAL GAS	14.40	-	14.40	Utilities-Natural Gas	
143	STOEL RIVES LLP	-	97.95	97.95	Consulting Services-April	
144	STOP ALARM, INC.	38.50	-	38.50	Alarm Services-Lindsay	
145	TF TIRE & SERVICE	754.00	-	754.00	Tire Repair-Delano Yard	
146	THE FERGUSON GROUP, LLC	-	3,459.55	3,459.55	Consulting Services-March	
147	THE REDESIGN GROUP	31,038.20	-	31,038.20	Replacement Switch OC Outages, VMWare Renewal	
148	UNWIRED BROADBAND, INC.	299.98	-	299.98	Internet Service-OC and Delano	
149	VALLEY PACIFIC PETROLEUM SERVICES, INC.	2,895.52	-	2,895.52	Unleaded Fuel-Delano Yard(700 Gal)	
150	VAST NETWORKS	800.00	-	800.00	Internet Service-Lindsay Office	

BILLS TO BE PAID MAY 25, 2023						
NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION	
151	VILLINES GROUP, LLC	-	4,000.00	4,000.00	Consulting Services- April	
152	WEISENBERGERS	310.31	-	310.31	Parts & Supplies-Lindsay Yard	
153	SUBTOTAL SPENDING	\$ 251,220.57	\$ 42,639.36	\$ 293,859.93		
154	PAYROLL FWA	107,364.45	27,322.32	134,686.77	End of Month Payroll Estimate	
155	TOTAL OM&R	\$ 358,585.02	\$ 69,961.68	\$ 428,546.70		

BILLS TO BE PAID MAY 25, 2023						
NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION	
156	Middle Reach Capacity Correction Project Phase 1					
157	BURKE, WILLIAMS & SORENSEN, LLP	\$ 7,321.20	\$ -	\$ 7,321.20	Professional Services-February, March	
158	KAN VENTURES, INC.	6,000.00	-	6,000.00	Consulting Services-May	
159	THE FERGUSON GROUP, LLC	5,000.00	-	5,000.00	Consulting Services-March	
159	VILLINES GROUP, LLC	6,000.00	-	6,000.00	Consulting Services- April	
160	SUBTOTAL - MRCCP	\$ 24,321.20	\$ -	\$ 24,321.20		
161	TOTAL - END OF MONTH	\$ 382,906.22	\$ 69,961.68	\$ 452,867.90		
162	GRAND TOTALS	\$ 3,507,982.18	\$ 152,242.80	\$ 3,660,224.98		



**FRIANT WATER AUTHORITY**

854 North Harvard Avenue, Lindsay CA 93247-1715

Phone# (559) 562-6305

Fax# (559) 562-3496

Allocation FKC O&M Budget - FWA Fiscal Year 2022 Refund		
Friant Division Contractors	Local Conveyance	Local Cost FY 2022 Budget
<b><i>Friant-Kern Canal</i></b>	FY 2022 FKC Allocation %'s	\$ 1,339,985.00
Arvin-Edison WSD	13.8043%	184,972.00
Delano-Earlimart ID	13.9989%	187,583.00
Exeter ID	1.5241%	20,423.00
City of Fresno	5.8303%	78,125.00
Fresno ID	1.3274%	17,787.00
Garfield WD	0.3167%	4,244.00
Hills Valley ID	0.0284%	381.00
International ID	0.1167%	1,564.00
Ivanhoe ID	0.6719%	9,003.00
Kaweah Delta WCD	0.2283%	3,059.00
Kern Tulare WD	0.0829%	1,111.00
Lewis Creek WD	0.0951%	1,274.00
Lindmore ID	3.8991%	52,248.00
Lindsay-Strathmore ID	2.6503%	35,513.00
City of Lindsay	0.2063%	2,765.00
Lower Tule River ID	15.1672%	203,238.00
City of Orange Cove	0.1619%	2,170.00
Orange Cove ID	3.8513%	51,607.00
Porterville ID	2.4546%	32,892.00
Saucilito ID	3.2858%	44,030.00
Shafter-Wasco ID	6.3633%	85,268.00
S.S.J.MU.D.	11.3092%	151,542.00
Stone Corral ID	0.9495%	12,724.00
Tea Pot Dome WD	0.6977%	9,349.00
Terra Bella ID	2.7840%	37,305.00
Tri Valley WID	0.0071%	95.00
Tulare ID	8.1876%	109,713.00
<b>Total Friant-Kern Canal</b>		<b>\$ 1,339,985</b>
Percent of Total	100.0000%	
<b><i>Madera Canal</i></b>		<b>\$ -</b>
Chowchilla WD		\$ -
Gravelly Ford		\$ -
Madera ID		\$ -
<b>Total Madera Canal</b>		<b>\$ -</b>
Percent of Total	0.000%	
<b><i>Millerton Lake</i></b>		
(2) Fresno County Wwks#18		
(2) Gravelly Ford		
(2) County of Madera		

## **FRIANT WATER AUTHORITY**

### **CASH ACTIVITY BALANCE MONTH ENDING APRIL 30, 2023**

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 20,160,811	\$ 13,722,219	\$ (3,434,742)	\$ 30,448,288
SLDMWA	3,165,249	503,892	(70,614)	3,598,527
<b>Total</b>	<b>23,326,060</b>	<b>14,226,110</b>	<b>(3,505,356)</b>	<b>34,046,815</b>
General Member	-	618,224	(238,322)	379,902
			<b>Total</b>	<b>34,426,716</b>

### **BANK ACTIVITY BALANCE MONTH ENDING APRIL 30, 2023**

Local Agency Investment Fund	\$ 13,494,765	\$ 209,914	\$ (13,604,000)	\$ 100,679
California Asset Management Program	9,418,757	27,076,038	(1,700,000)	34,794,794
Bank of the Sierra	412,538	2,161,158	(3,042,453)	(468,757)
			<b>Total</b>	<b>\$ 34,426,716</b>

NOTE:

Most Current Interest Rate: For month ended April 30, 2023 , effective yield, 2.870%

Total LAIF fund as of April 30, 2023: \$27,029,167,485.14

The Authority's investments are in compliance with its Statement of Investment Policy dated March 3, 2023.

Management believes it is fully able to meet its expenditure requirements for the next six months.

**FRIANT WATER AUTHORITY  
O&M FUND  
CASH ACTIVITY REPORT  
MONTH ENDING APRIL 30, 2023**

	<u>Checking &amp; Investments</u>	<u>Payroll Checking</u>	<u>Petty Cash</u>	<u>Total</u>
CASH BALANCE MARCH 31, 2023	\$ 23,325,259	\$ -	\$ 800	\$ 23,326,059
Increases:				
District O&M receipts	1,118,391			1,118,391
SLDMWA receipts	503,892			503,892
Revenue from MRCCP	11,993,784			11,993,784
Miscellaneous deposits	20,397			20,397
Administration Allocation	5,242			5,242
Payroll deposits		462,903		462,903
Total Increases	<u>13,641,706</u>	<u>462,903</u>	<u>-</u>	<u>14,104,609</u>
Decreases:				
O&M Expenditures	1,225,502			1,225,502
Pump Back Project Expenditures	181,957			181,957
MRCCP	900,285			900,285
Wire to SLDMWA - O&MR Charges - March Estimate	70,614			70,614
25 year Allocation True-up	201,193			201,193
Payroll Cash Outlays	462,903	462,903		925,806
Total Decreases	<u>3,042,453</u>	<u>462,903</u>	<u>-</u>	<u>3,505,356</u>
CASH BALANCE BEFORE INTERFUND ACTIVITY	<u>33,924,512</u>	<u>-</u>	<u>800</u>	<u>33,925,312</u>
Interfund transfer to O&M	121,502			121,502
CASH BALANCE APRIL 30, 2023	<u>\$ 34,046,014</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 34,046,814</u>

**FRIANT WATER AUTHORITY  
GENERAL MEMBERS FUND  
CASH ACTIVITY REPORT  
MONTH ENDING APRIL 30, 2023**

CASH BALANCE MARCH 31, 2023

Increases:

Member Assessments

618,224

Total Cash Receipts

\$ 618,224

Decreases:

Water Users Conference

5,479

Consulting

38,843

Professional Services

23,711

Meetings

5,565

**73,598**

**Reimburse O&M:**

Current Month Payroll & Benefits

62,098

Current Month Payroll & Benefits to O&M

(24,117)

Administration Allocation

5,242

Less Total Cash Disbursements

\$ 116,821

CASH BALANCE BEFORE INTERFUND ACTIVITY

\$ 501,403

Interfund transfer to O&M

\$ (121,502)

CASH BALANCE APRIL 30, 2023

\$ 379,902

**FRIANT WATER AUTHORITY**  
**MONTH ENDING APRIL 30, 2023**  
**CASH ACTIVITY REPORT**  
**LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)**  
**(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)**  
**CASH ACTIVITY REPORT**

CASH BALANCE MARCH 31, 2023 \$ 13,494,765

Increases:

Interest Revenue 209,914

Decreases:

Transfer to checking (13,604,000)

CASH BALANCE APRIL 30, 2023 \$ 100,679

Balance ascribed to:

O&M Fund \$ 99,568

General Member Fund \$ 1,111

\$ 100,679

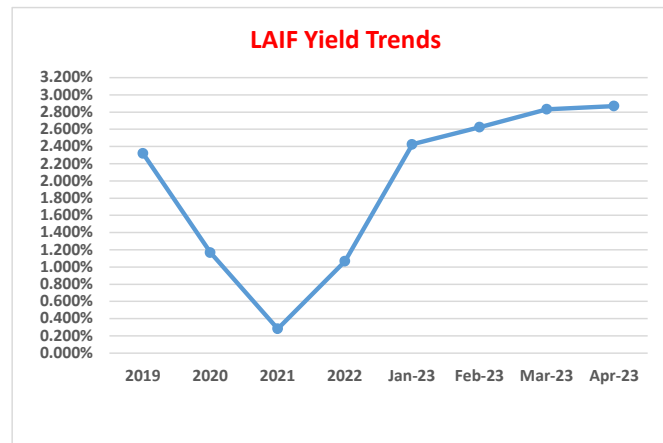
*NOTE:*

Most Current Interest Rate: For month ended April 30, 2023 , effective yield, 2.870%

Total LAIF fund as of April 30, 2023: \$27,029,167,485.14

The Authority's investments are in compliance with its Statement of Investment Policy dated March 3, 2023.

Management believes it is fully able to meet its expenditure requirements for the next six months.



2019	2.320%
2020	1.168%
2021	0.284%
2022	1.066%
Jan-23	2.425%
Feb-23	2.624%
Mar-23	2.831%
Apr-23	2.870%

**FRIANT WATER AUTHORITY**  
**MONTH ENDING APRIL 30, 2023**  
**CASH ACTIVITY REPORT**  
**CALIFORNIA ASSET MANAGEMENT PROGRAM (C.A.M.P.)**

CASH BALANCE MARCH 31, 2023	\$	9,418,757
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Increases:

Transfer from checking	\$ 27,000,000	
Interest Revenue	76,038	27,076,038

Decreases:

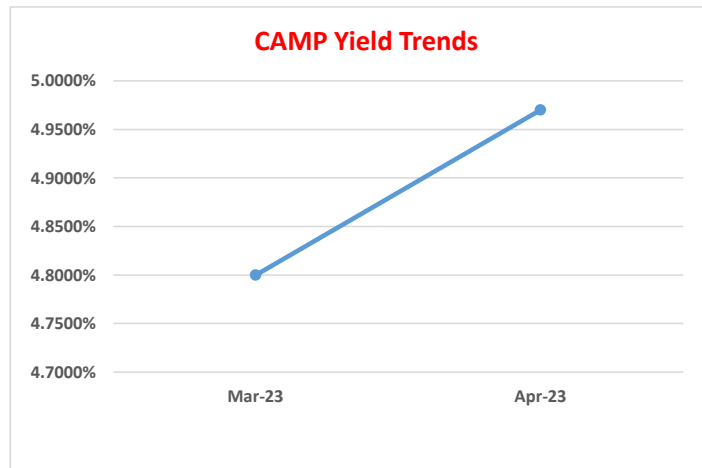
Transfer to checking	(1,700,000)	
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CASH BALANCE APRIL 30, 2023	\$	34,794,794
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Balance ascribed to:

O&M Fund	\$ 34,410,831	
General Member Fund	\$ 383,963	
	\$ 34,794,794	

The Authority's investments are in compliance with its Statement of Investment Policy dated March 3, 2023.  
Management believes it is fully able to meet its expenditure requirements for the next six months.



<b>Mar-23</b>	<b>4.800%</b>
<b>Apr-23</b>	<b>4.970%</b>

# FWA Revenue Presentation

FY 2023

Budget year: **58.3%** Completed

Operations & Maintenance	FY 2023 Budget	04/30/2023 Year to Date	Budget Remaining	Budget Spent %
<b>Revenue</b>				
Interest Income	-	195,339	(195,339)	
Miscellaneous Income	-	115,887	(115,887)	
Reverse Pumping Fee	-	24,484	(24,484)	
Conveyance Fees	-	6,310	(6,310)	
O & M Revenue	12,198,370	7,115,716	5,082,654	58.3%
Water Supply Cord./Monitoring Revenue	-	78,665	(78,665)	
<b>Total Revenue</b>	<b>12,198,370</b>	<b>7,536,401</b>	<b>4,661,968</b>	<b>61.8%</b>
<b>Expenses</b>				
Total Operations	1,756,994	1,064,430	692,564	60.6%
Total Maintenance	7,048,335	3,808,069	3,240,266	54.0%
Administration Costs	1,935,651	1,187,767	747,884	61.4%
Special Projects	1,457,390	359,580	1,097,810	24.7%
<b>Total OM&amp;R Expenses</b>	<b>12,198,370</b>	<b>6,419,846</b>	<b>5,778,524</b>	<b>52.6%</b>

# FWA Budget Presentation

FY 2023

Budget year: **58.3%** Completed

Operations & Maintenance	FY 2023 Budget	04/30/2023 Year to Date	Budget Remaining	Budget Spent %
<b>Operations Dept</b>				
Employee Salaries/Pay	804,086	421,879	382,207	52.5%
Employee Benefits	397,987	259,769	138,218	65.3%
Supplies & Services	554,920	382,781	172,139	69.0%
<b>Total Operations</b>	<b>1,756,994</b>	<b>1,064,430</b>	<b>692,564</b>	<b>60.6%</b>
<b>Maintenance Dept</b>				
Employee Salaries/Pay	2,471,305	1,209,287	1,262,017	48.9%
Employee Benefits	1,202,871	770,055	432,815	64.0%
Supplies & Services	3,374,159	1,828,726	1,545,433	54.2%
<b>Total Maintenance</b>	<b>7,048,335</b>	<b>3,808,069</b>	<b>3,240,266</b>	<b>54.0%</b>
<b>Administration Costs</b>	2,200,489	1,255,978	944,511	57.1%
<b>Administration Costs allocated to GM</b>	(264,838)	(68,211)	(196,627)	25.8%
<b>Total Operations &amp; Maintenance</b>	<b>10,740,980</b>	<b>6,060,266</b>	<b>4,680,714</b>	<b>56.4%</b>
<b>Special Projects</b>				
Cost Recovery	-	-	-	
Spending	1,457,390	359,580	1,097,810	24.7%
<b>Total Special Projects</b>	<b>1,457,390</b>	<b>359,580</b>	<b>1,097,810</b>	<b>24.7%</b>
<b>Total OM&amp;R</b>	<b>12,198,370</b>	<b>6,419,846</b>	<b>5,778,524</b>	<b>52.6%</b>



**Friant Water Authority**  
**Budget vs Actual Expenses**  
**YTD - 04/30/2023**

Budget year: 58.3% Completed

Total					Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual		Projected Remaining	Budget	YTD Actual		Projected Remaining
<b>MAINTENANCE</b>												
1 Vehicle & Equipment Service	\$ 759,318	\$ 335,461	44.2%	\$ 423,857	\$ 180,284	\$ 89,194	49.5%	\$ 91,090	\$ 579,034	\$ 246,267	42.5%	\$ 332,767
2 Maintenance Supervision	341,127	149,274	43.8%	191,853	241,127	147,782	61.3%	93,346	100,000	1,492	1.5%	98,508
3 Right-of-Way Management	50,784	34,426	67.8%	16,357	50,784	34,426	67.8%	16,357	-	-	0.0%	-
4 Weed & Pest Control	1,039,248	527,421	50.8%	511,827	336,331	152,746	45.4%	183,586	702,917	374,675	53.3%	328,241
5 Implem Biol. Opinion	22,000	7,050	32.0%	14,950	-	-	0.0%	-	22,000	7,050	32.0%	14,950
6 Road Maintenance	60,673	10,465	17.2%	50,208	36,723	7,102	19.3%	29,620	23,951	3,363	14.0%	20,588
7 Yard & Building Maintenance	339,973	191,951	56.5%	148,023	162,763	121,055	74.4%	41,708	177,210	70,895	40.0%	106,315
8 Structure & Gate Maintenance	72,677	51,959	71.5%	20,719	65,232	45,000	69.0%	20,232	7,445	6,958	93.5%	487
9 Cleaning Right-of-Way	69,608	31,656	45.5%	37,951	69,608	31,656	45.5%	37,951	-	-	0.0%	-
10 Bargate & Guardrail Maint	41,526	6,530	15.7%	34,996	19,023	5,488	28.8%	13,535	22,503	1,043	4.6%	21,460
11 Embankment Maintenance	85,276	108,674	127.4%	(23,399)	77,116	107,704	139.7%	(30,588)	8,159	970	11.9%	7,190
12 Bridge Maintenance	63,193	31,311	49.5%	31,882	26,632	6,108	22.9%	20,524	36,561	25,203	68.9%	11,358
13 Reverse Flow Pumping	-	11,707	0.0%	(11,707)	-	7,278	0.0%	(7,278)	-	4,429	0.0%	(4,429)
14 Concrete Lining Maintenance	19,483	13,698	70.3%	5,785	10,700	12,706	118.8%	(2,006)	8,783	992	11.3%	7,791
15 Drainditch & Channel Maint.	37,870	24,839	65.6%	13,031	37,870	24,839	65.6%	13,031	-	-	0.0%	-
16 Fence Maintenance	81,666	36,644	44.9%	45,022	64,242	35,349	55.0%	28,893	17,424	1,295	7.4%	16,128
17 Mudjacking	25,181	2,460	9.8%	22,722	22,941	2,460	10.7%	20,481	2,240	-	0.0%	2,240
18 Painting	56,933	7,761	13.6%	49,171	44,707	5,224	11.7%	39,484	12,225	2,538	20.8%	9,688
19 Sump Pump Maintenance	2,057	216	10.5%	1,841	1,107	-	0.0%	1,107	950	216	22.7%	734
20 Cross Drainage Structure Mtce	1,107	367	33.2%	740	1,107	367	33.2%	740	-	-	0.0%	-
21 Rip-Rapping	2,625	-	0.0%	2,625	2,625	-	0.0%	2,625	-	-	0.0%	-
22 Finance Charge	-	2,137	0.0%	(2,137)	-	-	0.0%	-	-	2,137	0.0%	(2,137)
23 Operations Supervision	50,438	32,351	64.1%	18,086	50,438	32,351	64.1%	18,086	-	-	0.0%	-
24 Water supply coordination & monitoring	632,218	510,058	80.7%	122,160	162,023	86,501	53.4%	75,522	470,195	423,557	90.1%	46,638
25 Legal Expense - Direct	110,000	61,714	56.1%	48,286	-	-	0.0%	-	110,000	61,714	56.1%	48,286
26 Safety & First Aid Training	34,717	10,012	28.8%	24,704	20,299	2,790	13.7%	17,509	14,418	7,223	50.1%	7,195
27 Office Admin (Typing etc.)	83,705	32,796	39.2%	50,909	83,705	32,796	39.2%	50,909	-	-	0.0%	-
28 Payroll Preparation	12,707	2,181	17.2%	10,526	12,707	2,181	17.2%	10,526	-	-	0.0%	-
29 Meetings	385,847	233,822	60.6%	148,294	195,274	93,657	48.0%	101,617	190,573	140,166	73.5%	50,407
30 Education & Training	50,597	8,633	17.1%	41,964	33,683	7,108	21.1%	26,575	16,914	1,525	9.0%	15,389
31 Procurement	20,085	3,814	19.0%	16,270	20,085	3,814	19.0%	16,270	-	-	0.0%	-
32 Inventory & Property Mgt.	1,388	-	0.0%	1,388	-	-	0.0%	-	-	-	0.0%	-
33 Employee Benefits	1,202,871	770,055	64.0%	433,649	326,225	226,731	69.5%	99,494	876,646	-	0.0%	334,155
34 Personnel Administration	103,340	109,933	106.4%	(6,592)	103,340	109,933	106.4%	(6,592)	-	-	0.0%	-
35 Workers Comp. Insurance	64,354	32,840	51.0%	31,515	-	-	0.0%	-	64,354	32,840	51.0%	31,515
36 Utilities	88,423	61,806	69.9%	26,617	-	-	0.0%	-	88,423	61,806	69.9%	26,617
37 Dues & Subscriptions	10,615	6,333	59.7%	4,282	-	-	0.0%	-	10,615	6,333	59.7%	4,282
38 Budget Preparation	3,624	839	23.2%	2,785	3,624	839	23.2%	2,785	-	-	0.0%	-
39 Archiving & Data Storage	7,596	-	0.0%	7,596	7,596	-	0.0%	7,596	-	-	0.0%	-
40 Vehicle & Equipment Acquisition	1,013,489	344,873	34.0%	668,616	-	-	0.0%	-	1,013,489	344,873	34.0%	668,616
<b>TOTAL EXPENSES: MAINTENANCE</b>	<b>7,048,335</b>	<b>3,808,069</b>	<b>54.0%</b>	<b>3,240,266</b>	<b>2,471,305</b>	<b>1,436,019</b>	<b>58.1%</b>	<b>1,035,286</b>	<b>4,577,030</b>	<b>2,372,050</b>	<b>51.8%</b>	<b>2,204,980</b>

**Friant Water Authority**  
**Budget vs Actual Expenses**  
**YTD - 04/30/2023**

Budget year: 58.3% Completed													
Total					Labor				Materials				
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining		
<b>WATER OPERATIONS</b>													
41 Vehicle & Equipment Service	\$ 1,084	\$ 530	48.88%	\$ 554	\$ -	\$ -	0.00%	\$ -	\$ 1,084	\$ 530	48.88%	\$ 554	
42 Yard & Building Maintenance	63,974	24,414	38.16%	39,561	10,602	11,474	108.22%	(872)	53,372	12,939	24.24%	40,433	
43 Structure & Gate Maintenance	199,735	72,816	36.46%	126,919	58,309	40,202	68.95%	18,107	141,425	32,614	23.06%	108,812	
44 Cleaning Right-of-Way	3,468	304	8.76%	3,164	2,508	299	11.91%	2,209	960	5	0.52%	955	
45 Bargate & Guardrail Maint	2,632	110	4.17%	2,522	-	-	0.00%	-	2,632	110	4.17%	2,522	
46 Reverse Flow Pump	-	9,367	0.00%	(9,367)	-	-	0.00%	-	-	9,367	0.00%	(9,367)	
47 Sump Pump Maintenance	15,791	4,470	28.31%	11,321	-	-	0.00%	-	15,791	4,470	28.31%	11,321	
48 Finance Charge	-	8	0.00%	(8)	-	-	0.00%	-	-	8	0.00%	(8)	
49 C. & I. Maint (ESI Equipment)	259,634	219,102	84.39%	40,532	39,500	26,372	66.77%	13,128	220,134	192,729	87.55%	27,405	
50 Meter Repair	111,318	58,719	52.75%	52,599	30,096	28,994	96.34%	1,102	81,222	29,725	36.60%	51,497	
51 Canal Patrol	339,292	182,544	53.80%	156,748	338,575	182,285	53.84%	156,290	718	259	36.07%	459	
52 Operations Reports	106,163	94,514	89.03%	11,649	105,805	94,197	89.03%	11,608	359	317	88.44%	41	
53 Operations Supervision	86,606	31,781	36.70%	54,825	86,606	31,781	36.70%	54,825	-	-	0.00%	-	
54 Water Measurement	9,273	3,175	34.24%	6,098	7,837	2,550	32.54%	5,287	1,436	625	43.54%	810	
55 Safety & First Aid Training	3,886	1,994	51.32%	1,892	1,254	261	20.79%	993	2,632	1,733	65.86%	898	
56 Meetings	1,881	2,920	155.25%	(1,039)	1,881	2,920	155.25%	(1,039)	-	-	0.00%	-	
57 Education & Training	6,637	544	8.20%	6,093	1,254	544	43.40%	710	5,383	-	0.00%	5,383	
58 Employee Benefits	397,987	259,769	65.27%	138,218	119,859	78,796	65.74%	41,063	278,128	180,973	65.07%	97,155	
59 Workers Comp. Insurance	31,130	15,788	50.72%	15,342	-	-	0.00%	-	31,130	15,788	50.72%	15,342	
60 Utilities	35,302	20,400	57.79%	14,902	-	-	0.00%	-	35,302	20,400	57.79%	14,902	
61 Vehicle & Equipment Acquisition	81,200	61,162	75.32%	20,038	-	-	0.00%	-	81,200	61,162	75.32%	20,038	
<b>TOTAL EXPENSES: WATER OPERATIONS</b>	<b>\$ 1,756,994</b>	<b>\$ 1,064,430</b>	<b>60.6%</b>	<b>\$ 692,564</b>	<b>\$ 804,086</b>	<b>\$ 500,675</b>	<b>62.3%</b>	<b>\$ 303,411</b>	<b>\$ 952,907</b>	<b>\$ 563,754</b>	<b>59.2%</b>	<b>\$ 389,153</b>	

**Friant Water Authority**  
**Budget vs Actual Expenses**  
**YTD - 04/30/2023**

Budget year: 58.3% Completed													
Total					Labor				Materials				
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining		
<b>ADMINISTRATION</b>													
62 Water supply coordination & monitoring	\$ 61,314	\$ 65,523	106.86%	\$ (4,208)	\$ 44,303	\$ 53,328	120.37%	\$ (9,025)	\$ 17,011	\$ 12,195	71.69%	\$ 4,817	
63 Administrative Supervision	-	8,993	0.00%	(8,993)	-	8,993	0.00%	(8,993)	-	-	0.00%	-	
64 Safety & First Aid Training	94,652	18,079	19.10%	76,573	6,880	1,239	18.01%	5,642	87,772	16,840	19.19%	70,932	
65 Office Admin (Typing etc.)	141,116	68,417	48.48%	72,699	141,116	68,281	48.39%	72,835	-	136	0.00%	(136)	
66 Payroll Preparation	14,186	5,104	35.98%	9,082	14,186	5,104	35.98%	9,082	-	-	0.00%	-	
67 Meetings	90,793	24,674	27.18%	66,119	46,873	10,156	21.67%	36,717	4,400	1,269	28.84%	3,131	
68 Education & Training	90,915	20,517	22.57%	70,398	30,885	8,277	26.80%	22,608	60,030	12,241	20.39%	47,790	
69 Inventory & Property Mgt.	3,651	451	12.35%	3,200	3,651	451	12.35%	3,200	-	-	0.00%	-	
70 Employee Benefits	509,814	318,222	62.42%	191,593	111,920	74,804	66.84%	37,117	397,894	243,418	61.18%	154,476	
71 Data Processing	260,585	189,424	72.69%	71,161	15,576	33,176	213.00%	(17,600)	245,010	156,249	63.77%	88,761	
72 Accounting & Auditing	431,743	201,448	46.66%	230,295	354,743	201,448	56.79%	153,295	77,000	-	0.00%	77,000	
73 Personnel Administration	132,129	71,371	54.02%	60,758	68,130	47,686	69.99%	20,444	63,999	23,685	37.01%	40,314	
74 Liability Insurance	142,825	139,131	97.41%	3,694	-	-	0.00%	-	142,825	139,131	97.41%	3,694	
75 Workers Compensation Insurance	9,499	2,080	21.90%	7,419	-	-	0.00%	-	9,499	2,080	21.90%	7,419	
76 Finance Charge	-	1,445	0.00%	(1,445)	-	-	0.00%	-	-	1,445	0.00%	(1,445)	
77 Utilities	72,307	36,664	50.71%	35,643	-	-	0.00%	-	72,307	36,664	50.71%	35,643	
78 Office Supplies	29,069	19,481	67.02%	9,588	-	-	0.00%	-	29,069	19,481	67.02%	9,588	
79 Postage	7,747	4,292	55.40%	3,455	-	-	0.00%	-	7,747	4,292	55.40%	3,455	
80 Dues & Subscriptions	9,034	888	9.83%	8,145	-	-	0.00%	-	9,034	888	9.83%	8,145	
81 Budget Preparation	11,067	3,068	27.72%	7,999	11,067	3,068	27.72%	7,999	-	-	0.00%	-	
82 Lease office equipment	37,323	28,714	76.93%	8,609	-	-	0.00%	-	37,323	28,714	76.93%	8,609	
83 Vehicle & Equipment Acquisition	38,063	27,991	73.54%	10,071	-	-	0.00%	-	38,063	27,991	73.54%	10,071	
84 Admin Reimb - GM Fund - <b>see Note #1</b>	(264,838)	(68,211)	25.76%	(196,627)	-	-	0.00%	-	(264,838)	(68,211)	25.76%	(196,627)	
<b>TOTAL EXPENSES: ADMINISTRATION</b>	<b>\$ 1,935,651</b>	<b>\$ 1,187,767</b>	<b>61.4%</b>	<b>\$ 747,884</b>	<b>\$ 861,986</b>	<b>\$ 516,462</b>	<b>59.9%</b>	<b>\$ 345,525</b>	<b>\$ 1,073,665</b>	<b>\$ 671,306</b>	<b>62.5%</b>	<b>\$ 402,359</b>	

<b>Note #1</b>	<b>O&amp;M</b>	<b>95%</b>	<b>\$ 1,187,767</b>
	<b>GM</b>	<b>5%</b>	<b>\$ 68,211</b>
		<b>100%</b>	<b>\$ 1,255,978</b>

<b>SPECIAL PROJECTS</b>													
85 Benefits	\$313,515	\$24,323	7.8%	\$289,191	\$82,655	\$24,323	29.4%	\$58,331	\$230,860	\$0	0.0%	\$230,860	
86 Subsidence - System Wide	151,304	179,646	118.7%	(28,343)	41,304	30,563	74.0%	10,740	110,000	149,083	135.5%	(39,083)	
87 GSA Engagement - East	322,292	-	0.0%	322,292	102,292	-	0.0%	102,292	220,000	-	0.0%	220,000	
88 GSA Engagement - West	194,539	31,304	16.1%	163,235	15,767	935	5.9%	14,831	178,773	30,369	17.0%	148,404	
89 Water Quality	475,741	124,306	26.1%	351,435	68,241	11,314	16.6%	56,927	407,500	112,992	27.7%	294,508	
<b>TOTAL EXPENSES: SPECIAL PROJECTS</b>	<b>\$1,457,390</b>	<b>\$359,580</b>	<b>24.7%</b>	<b>\$1,097,810</b>	<b>\$310,258</b>	<b>\$67,136</b>	<b>21.6%</b>	<b>\$243,121</b>	<b>\$1,147,133</b>	<b>\$292,444</b>	<b>25.5%</b>	<b>\$854,689</b>	

BUDGET ITEM	FYE 9/30/22	CURRENT YTD	REMAINING
<b>CARRY OVER ITEMS FY 2022</b>			
<b>SEE NOTE:</b>			
90 Motor Grader	323,732	318,104	5,628
91 Foreman Pickup - Delano	33,600	47,190	(13,590)
92 CSO Pickup - Orange Cove	25,290	33,662	(8,372)
93 CSO Pickup - Delano	25,290	33,662	(8,372)
94 Limitorque Actuators	21,000		See Note #3
95 Canal Sump Pump	9,000		See Note #3
<b>TOTAL CARRY OVER ITEMS FY 2022</b>	<b>437,912</b>	<b>432,618</b>	<b>(24,706)</b>

**Note:**

<b>#2</b>	Received in April - 2023	\$ 318,104.25	2%
<b>#2</b>	Received in February - 2023	\$ 47,190.31	-40%
<b>#2</b>	Received in February - 2023	\$ 33,661.82	-33%
<b>#2</b>	Received in February - 2023	\$ 33,661.82	-33%
		<b>\$ 432,618.20</b>	<b>6%</b>
<b>#3</b>	Part of carry over to FY2023 (BOD Approved) but supply chain delivered in FY2022		
<b>#3</b>	Part of carry over to FY2023 (BOD Approved) but supply chain delivered in FY2022		

BUDGET TO ACTUALS REPORT

				% of Budget YTD
Consultants	FY 2023 Approved Budget	FY 2023 Actuals	Surplus /(Shortage)	58.33%
<b>General Counsel</b>				
Burke, Williams & Sorenson, LLC	3,000	-	3,000	
<b>Special Counsel</b>				
Water & Power Law Group	230,000	128,624	101,376	55.92%
Burke, Williams & Sorensen, LLC	39,000	28,725	10,275	73.65%
Somach Simmons	119,000	50,424	68,576	42.37%
BiOps Litigation (Kaplan & Kirsch)	156,000	79,731	76,269	51.11%
CEQA Litigation (Stoel Rives)	126,000	12,687	113,313	10.07%
Additional Special Counsel (TBD)	55,500		55,500	
<b>Special Counsel Subtotal</b>	<b>725,500</b>	<b>300,191</b>	<b>425,309</b>	<b>41.38%</b>
<b>Professional Support - Operations</b>				
General Consulting - as needed (Luce, Steve O. & MBK)	111,950	9,362	102,588	8.36%
Kan Ventures	60,000	29,424	30,576	49.04%
Additional Legal/Operations Consultant (TBD)	16,000	-	16,000	
<b>Professional Support - Operations Subtotal</b>	<b>187,950</b>	<b>38,785</b>	<b>149,165</b>	<b>20.64%</b>
<b>Professional Support - Communications &amp; Outreach</b>				
External Affairs - Federal (Ferguson Group)	50,000	22,636	27,364	45.27%
External Affairs - State (Villines)	50,000	23,440	26,560	46.88%
Media & Materials - (Commuter Industries)	30,000	5,150	24,851	17.17%
<b>Professional Support - Comm. &amp; Outreach Subtotal</b>	<b>130,000</b>	<b>51,226</b>	<b>78,774</b>	<b>39.40%</b>
<b>Consultants Subtotal</b>	<b>1,046,450</b>	<b>390,202</b>	<b>656,248</b>	<b>37.29%</b>
<b>Staff</b>				
Leadership	635,327	375,766	259,561	59.15%
<b>Staff Subtotal</b>	<b>635,327</b>	<b>375,766</b>	<b>259,561</b>	<b>59.15%</b>
<b>Other Activities</b>				
CDTFA - State Water Resources Control Board	67,500	89,344	(21,844)	132.36%
Family Farm Alliance	15,000	15,000	0	100.00%
CVPWA dues	40,000	37,249	2,751	93.12%
SJV Blueprint	15,000	-	15,000	
Public Policy Institute of California	10,000		10,000	
Misc Organizational Contributions	15,000	6,871	8,129	45.81%
<b>Dues &amp; Fees Subtotal</b>	<b>162,500</b>	<b>148,464</b>	<b>14,036</b>	<b>91.36%</b>
<b>Other Supplies &amp; Services</b>				
Travel	60,000	12,916	47,085	21.53%
Hotel	37,500	14,546	22,954	38.79%
Meals	35,000	16,943	18,057	48.41%
Miscellaneous visa receipts	15,000	6,121	8,879	40.80%
Meeting expenses -	45,000	34,910	10,090	77.58%
<b>Other Supplies &amp; Services Subtotal</b>	<b>192,500</b>	<b>85,436</b>	<b>107,064</b>	<b>44.38%</b>
<b>Admin Allocation</b>	<b>175,000</b>	<b>68,211</b>	<b>106,789</b>	<b>38.98%</b>
<b>Direct Expenses (including rent, mileage)</b>				
Mileage	27,500	8,400	19,100	30.55%
Rent	34,620	26,258	8,362	75.85%
Office Expenses	2,500	43	2,457	1.71%
Office Supplies	7,500	2,738	4,762	36.51%
Utilities	1,000	-	1,000	
<b>Direct Expenses Subtotal</b>	<b>73,120</b>	<b>37,439</b>	<b>35,681</b>	<b>51.20%</b>
<b>Other Activities Subtotal</b>	<b>603,120</b>	<b>339,550</b>	<b>263,570</b>	<b>56.30%</b>
<b>Subtotal Base Budgets</b>	<b>2,284,897</b>	<b>1,105,518</b>	<b>1,179,379</b>	<b>48.38%</b>
<b>Special Projects</b>				
Regulatory Engagement & Advocacy	200,000		200,000	
<b>Total Special Projects</b>	<b>200,000</b>	<b>0</b>	<b>200,000</b>	<b>0.00%</b>
<b>Total Budgets</b>	<b>2,484,897</b>	<b>1,105,518</b>	<b>1,379,379</b>	<b>44.49%</b>

Middle Reach Capacity Correction Project, Phase 1  
Bureau of Reclamation and Friant Water Authority  
Monthly Financial Status Report - Budget to Actual Spending  
Expenditures through April 30, 2023

Sources of Funds	Federal Funding		FWA Spending Plan Funds		Friant Water Authority Funding						
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs		FWA Contractors	Eastern Tule GSA	Pixley GSA	State Funding-DWR	Misc. Revenue	Delano GSA	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 118,645,000		\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 59,584,000	\$ -	\$ 1,200,000	
Funds Secured/Received to date	\$ 41,900,000	\$ 208,100,000	\$ 67,118,000		\$ 49,894,401	\$ 11,272,245	\$ 11,000,000	\$ 37,350,000	\$ 472,944	In progress	\$ 109,989,590
Expenditures to date	(39,822,725)	(110,046,889)	\$ (34,782,422)		(36,328,064)	(11,151,099)	(11,000,000)	(25,936,200)	(472,944)	-	(84,888,308)
Remaining Funding Available	\$ 2,077,275	\$ 98,053,111	\$ 32,335,578		\$ 13,566,336	\$ 121,146	\$ -	\$ 11,413,800	\$ -	In progress	\$ 25,101,282

	Budget Estimate (2023)			Prior Period Expenditures (Cumulative)		April 30, 2023 Expenditures		Total Expenditures through April 30, 2023		Remaining Budget	
Project Cost Category	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$ 23,081,048	\$ 3,525,733	\$ 26,606,782	\$ 23,081,048	\$ 3,525,733	\$ -	\$ -	\$ 23,081,048	\$ 3,525,733	\$ -	\$ 0
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ 7,014,569	\$ 12,470,988	\$ 7,704	\$ 834,889	\$ 7,022,273	\$ 13,305,877	\$ 1,265,835	\$ 707,583
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ 302,936	\$ 450,506	\$ 167	\$ 26,114	\$ 303,103	\$ 476,620	\$ 214,565	\$ 29,380
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ 760,882	\$ 101,908	\$ 500	\$ -	\$ 761,382	\$ 101,908	\$ 414,724	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ 943,758	\$ 306,206	\$ 33,358	\$ 39,281	\$ 977,116	\$ 345,487	\$ 1,383,186	\$ 1,642,013
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ 4,618,773	\$ -	\$ 419,895		\$ 5,038,668	\$ -	\$ 6,961,332	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ 1,722,410	\$ -	\$ 269	\$ -	\$ 1,722,679	\$ -	\$ 62,700	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ 6,956,817	\$ 14,682	\$ 605,859	\$ -	\$ 7,562,676	\$ 14,682	\$ 5,999,156	\$ (14,682)
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,262	\$ 8,629,262	\$ 17,258,525	\$ 186,422	\$ -			\$ 186,422	\$ -	\$ 8,442,840	\$ 8,629,262
Construction Contract - MRCCP Phase 1	\$ 69,421,946	\$ 111,659,695	\$ 181,081,641	\$ 103,214,242	\$ 67,118,000	\$ -	\$ -	\$ 103,214,242	\$ 67,118,000	\$ (33,792,296)	\$ 44,541,695
Construction Contract Contingency	\$ 5,428,349	\$ 5,428,349	\$ 10,856,698	\$ -	\$ -			\$ -	\$ -	\$ 5,428,349	\$ 5,428,349
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ 148,801,857	\$ 83,988,023	\$ 1,067,752	\$ 900,285	\$ 149,869,609	\$ 84,888,308	\$ (3,619,608)	\$ 61,361,692
% Cost-Share	50%	50%						64%	36%		

Please Note:

Actual cost-share percentages: 58% 42%

The difference is due to timing of when the FWA Spending Plan Funds are being expended by BOR.

## Agenda Report

No. 3.C.

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Chris Hickernell, General Superintendent

**SUBJECT:** Previously Budgeted Equipment Purchase – Manitex 1970C 19 Ton Crane Truck

### SUMMARY:

The Fiscal Year (FY) 2023 Operations, Maintenance, and Replacement (OM&R) budget for the Friant-Kern Canal was approved by the Board of Directors at the September 22, 2022 meeting. The approved budget included approval to purchase a 19 Ton Crane Truck to support a variety of maintenance duties including heavy lifting, trash removal in the Friant-Kern Canal, and panel replacement. FWA staff solicited bids from local equipment dealers but only one dealer was able to fulfill the specifications listed by FWA staff thus recommending purchase (see below). The negotiated bid amounts are higher than approved budget amounts due to higher-than-expected inflation pressures and supply-chain disruptions that are driving higher market prices.

### DISCUSSION:

**Manitex 1970C 19 ton Crane Truck:** The approved FY 2023 OM&R budget included \$240,000 for the purchase of a 19 ton crane truck. FWA staff repeatedly solicited bids and availability from local and out of state equipment dealers and received only one company that could fulfill the current specifications and availability:

	Coastline Equipment	
	\$349,106.00	

Staff is recommending the final approval to purchase the Manitex 19 Ton Crane Truck from Coastline Equipment Company in Sacramento, CA (only bidder) at a total cost of \$349,106.00. The final, negotiated cost is \$109,106.00 above the amount that was budgeted for FY 2023.

### FINANCE COMMITTEE ACTION:

At the May 22, 2023 meeting, the Finance Committee recommended that the Board of Directors approve the purchase of the Manitex 19-ton crane truck based upon the final, negotiated bid amount.

### SUGGESTED MOTION:

I move that the Board of Directors approve the purchase of the Manitex 19-ton crane truck based upon the final, negotiated bid amount.

### **BUDGET IMPACT:**

The recommended purchase is over the budget estimates that were included in the FY 2023 OM&R budget by \$109,106.00. Purchase prices for other FY 2023 budgeted equipment purchases to date have been trending higher than their original estimates. Staff is including this overage in the FY 2024 OM&R budget proposal that will be brought to the various Committees and the Board of Directors in June 2023 as the delivery and full payment of the truck is not anticipated until October 2023. Given the lead time and the need to replace the current crane truck due to safety concerns as well as the impending canal outage work, staff is recommending proceeding with this purchase order this month.

## Agenda Report

No. 3.D.

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Ian Buck-Macleod, Water Resources Manager

**SUBJECT:** **Amendment of Services Agreement with MBK Engineers for Fiscal Year 2023**

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### SUMMARY:

An action to modify the existing services agreement with MBK Engineers (MBK) for Fiscal Year 2023. MBK provides tracking, forecasting, and reporting of water Project operations; and, as-needed strategic water resources assessments for FWA. MBK's support is critical for forecasting South-of-Delta allocations, and understanding the potential for calls on Friant. This modification adds additional budget to existing technical support related to more than anticipated expenditures related to Central Valley Project (CVP) Delta and San Luis units' operations and the Reconsultation of Biological Opinions on the long-term operation of the CVP and State Water Project.

### FINANCE COMMITTEE ACTION:

At the May 22, 2023 meeting, the Finance Committee recommended that the Board of Directors authorize the execution of the modification to the services agreement with MBK Engineers for Fiscal Year 2023 to increase the not to exceed amount by \$55,000 to \$175,000.

### SUGGESTED MOTION:

I move that the Board of Directors authorize the execution of the modification to the services agreement with MBK Engineers for Fiscal Year 2023 to increase the not to exceed amount by \$55,000 to \$175,000.

### BUDGET IMPACT:

The revised budget amount now exceeds the assumed amount for MBK under the FY 2023 Operations, Maintenance, and Replacement (OM&R) budget for Water Supply Coordination & Monitoring. The overall Water Supply Coordinating & Monitoring budget is likely to be exceeded; however, it is estimated that overall OM&R budget will not be exceeded and will not require modification.

### ATTACHMENTS:

1. Proposed Amendment to MBK Engineers for Fiscal Year 2023.



Friant Water Authority  
854 N. Harvard Ave.  
Lindsay, CA 93247  
Attn: Ian Buck-Macleod

**Task Order No. FY 23**  
**Friant Bill Code 6345-010-90-010**  
**Water Resources Tracking and Reporting, Technical Support for Fiscal Year 2023**

**DESCRIPTION OF SERVICES:**

**Task 1 – Tracking, Forecasting, and Reporting of Water Project Operations**

MBK Engineers (MBK) will perform weekly tracking of current water project operations through the fiscal year. Effort under this task will include tracking changes and trends in water operations and identifying key factors driving operations that may affect water allocations. The factors considered will include hydrology conditions, regulatory triggers, and policy decisions. MBK will participate in weekly operations calls with Central Valley Operations (CVO) and Friant Water Authority (FWA), and review and develop monthly Central Valley Project (CVP) / State Water Project (SWP) operations 90% and 50% exceedance forecasts.

Weekly and monthly briefing documents will be prepared that include periodic data assessments and updates on CVP and SWP operations. These briefings will include general assessment of CVP allocations and the overall risk to annual supplies for San Joaquin River Exchange Contracts (SJRECs), Friant Division contractors and Cross Valley Contractors (CVCs). Briefings may include weekly near-term outlooks, monthly data summaries, or seasonal reviews (Fall, Winter-Early Spring, and Late Spring-Summer).

The following data will be tracked under this effort:

- Precipitation forecasts
- River flows
- Snowpack and runoff forecasts
- Reservoir storage levels
- Potential flood operations
- In-basin usage
- Delta conditions
- Fish monitoring and salvage
- Water supply forecasts

Tracking will include the following regulatory requirements, operations agreements and fishery actions:

- Biological Opinion actions
- State Board actions
- Federal/State agency coordination teams decisions
- Delta pumping levels and sharing
- Fishery coordination teams recommendations
- Sacramento River temperature task groups
- Coordinated Operations Agreement (COA) accounting
- San Luis Reservoir accounting
- Allocation announcements (including SJREC, Friant, and CVC)

Weekly briefing will be incorporated into the Friant Water Update and distributed by email to Friant staff and supporting consultants. Specific information to be included is current and forecasted hydrology and meteorology, north- and south-of-Delta operations for the CVP and SWP, and forecasted scenarios of CVP allocations and operations. The information is compiled from available sources (CVP and SWP operations offices, CALFED Ops Group, and CDEC and other websites) and into a format that is understandable and accessible by the intended audience. FWA and other consultants will develop updates on Friant Division allocations and operations, Airborne Snow Observatory measurement of snowpack, and San Joaquin River Restoration Program operations; and provide final technical review and loading of the update into MailChimp and Friant's website.

Two monthly briefings will be developed for the Executive Committee and Board of Directors meetings minimum 3 days prior to the meeting. These briefings will expand on the detail provided in the weekly briefing and also include synthesis of CVO and internal projections of project operations, and Friant Division allocations and operations depending on issues that may affect the Friant Division or Exchange Contractor water supplies. It is expected that briefings during spring months, when forecasts of CVP

water supply allocations are being made, will contain greater detail while other times of the year briefings will contain less detail.

This task also includes associated project management activities, including project coordination, contract management, project accounting, and invoicing for the task order.

**Task 2 – As-Needed Strategic Assessments**

MBK will prepare focused assessments on specific issues, as needed and directed by FWA management team. Assessments may include attendance at additional meetings and coordination with other water operators and modelers, as appropriate. MBK will provide rough cost estimate for each work effort requested by FWA and status of Task 2 budget.

Potential assessments could include the following:

- Focused risk analysis of supply to SJRECs, Friant Division contractors and CVCs across multiple scenarios beyond Task 1
- Current and future Biological Opinions and Incident Take Permit actions
- Current and future State Board actions
- Detailed evaluation of San Luis Reservoir accounting
- Critical year reliability actions and scenarios
- Potential COA addendums
- Voluntary Agreements
- Review of new project facilities, including related operations, assumptions, and compliance

**Task 3 – Forecasting of Friant Division Operations**

MBK will continue to update the Millerton Lake monthly forecast spreadsheet as-needed based on input from FWA and SCCAO. This will include continued cleanup and streamlining of the input data such as runoff, inflow, upstream storage, canal demands, releases including SJRRP, and losses. Where possible, scripts/macros will be used to simplify and automate the input of both forecast and observed data.

**Budget**

Task	Description	Cost
1	Tracking, Forecasting, and Reporting of Water Project Operations	\$70,000.00
2	As-Needed Strategic Assessments	\$95,000.00
3	Forecasting of Friant Division Operations	\$10,000.00
Total		\$175,000.00

BASIS FOR PAYMENT: Time and Materials

ESTIMATED TOTAL COST: \$175,000

ESTIMATE OF TIME SCHEDULE: 10/1/2022 through 9/30/2023

FRIANT REPRESENTATIVE: Ian Buck-Macleod, [ibuckmacleod@friantwater.org](mailto:ibuckmacleod@friantwater.org)

CONSULTANT'S REPRESENTATIVE: Walter Bourez, [bourez@mbkengineers.com](mailto:bourez@mbkengineers.com)

ACCEPTED:

MBK Engineers

By: \_\_\_\_\_

Title: \_\_\_\_\_

ACCEPTED:

FRIANT WATER AUTHORITY

By: \_\_\_\_\_

Title: \_\_\_\_\_

## Agenda Report

**No. 4.A.**

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Wilson Orvis, CFO

**SUBJECT:** Revisions to FWA’s OM&R Cost Recovery Policy – Conveyance Fee Update and Clarifications to San Luis & Delta-Mendota Water Authority OM&R Cost Allocation Procedures

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### SUMMARY:

On July 25, 2019, the Board of Directors approved a substantive revision to FWA’s Operations, Maintenance, and Replacement (OM&R) Cost Recovery Policy, incorporating contractor comments received during the 60-day comment period. The focus of that revision was to update the 25-year rolling average methodology used to calculate each Long-Term Friant-Kern Canal Contractor’s percentage of annual OM&R, as well as to establish a threshold above which any proposed extraordinary maintenance project would require consideration of potential alternative cost recovery methodologies. While it was discussed during the effort developing the updated policy, the 2019 revision did not make changes to the methodology used by FWA to assess conveyance fees on “Other Water<sup>1</sup>” conveyed for non-long-term contractors (mainly Warren Act and Section 215 water) or Warren Act water conveyed for Friant-Kern Canal Water Delivery Contractors on the Friant-Kern Canal (FKC).

The current methodology, developed in 1998, set the conveyance fee on a per acre-foot basis, calculated based on the current year Class 1 O&M water share of O&M Expense (based on the O&M Budget) divided by the 25-year average of Class 1 deliveries on the Friant Kern Canal. Given the change to the methodology for calculating the 25-year rolling average (which added in all types of water and eliminated the previous ratio of Class 1 to Class 2 approach) and the increased OM&R costs that FWA has been incurring to maintain the FKC (including extraordinary maintenance projects like the Middle Reach Capacity Correction Project, Phase 1), a substantive update to the methodology calculating conveyance fees for “Other Water” is necessary to reflect current practices and recover an equitable share of OM&R costs. The current rate is \$11.60/per acre-foot.

The proposed methodology would include Warren Act and non-Millerton project water deliveries for Long-Term Water Delivery Contractors into the existing 25-year rolling average calculation. An impact analysis conducted by FWA staff suggests that including these amounts would not substantively increase the OM&R costs for the three affected Friant-Kern Canal contractors. For non-long-term

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<sup>1</sup> See Section 1 of the “Agreement To Transfer The Operation, Maintenance And Replacement And Certain Financial And Administrative Activities Related To The Friant-Kern Canal And Associated Work” (Transfer Agreement)” for a detailed definition of “Other Water”

Contractors, the proposed methodology would increase this Fiscal Year's conveyance rate from \$11.60/acre-foot<sup>2</sup> to:

- (1) \$16.19 per acre-foot for Section 215/Flood Water, and
- (2) \$54.79 per acre-foot for Warren Act (Non-Flood) Water.

As noted above, these proposed rates reflect current FKC OM&R costs and more equitably allocate those costs.

The proposed revisions to the FWA OM&R Cost Recovery Policy are provided in a red-line copy as **Attachment 1**. In addition to revisions related to the conveyance rate methodology, there are revisions to align the text of the definitions with the updated Transfer Agreement and additional, minor revisions regarding the procedures for allocating OM&R costs billed by San Luis & Delta-Mendota Water Authority (SLDMWA) to FWA for conveyance of Settlement Contractor deliveries. The revisions in that section:

- (1) Adjust the billing procedures to reflect the actual procedures that have been in place for a number of years, and
- (2) Clarify that FWA will allocate costs from SLDMWA's general "Reserve Cost Pool" based upon a 35% conveyance/65% pumping split, which has been the current practice, and adds that for specific reserve cost pools, FWA will conduct an analysis of the purpose of those reserves to inform the appropriate allocation between pumping and conveyance.

#### 60-DAY REVIEW FEEDBACK:

At the March 23, 2023 FWA Board of Directors meeting, the Board approved the release of the proposed revisions to the OM&R Cost Recovery Policy for the 60-day review period. Under Article 11(b)(3) of the Transfer Agreement, FWA is required to provide notice of changes to the OM&R Cost Recovery Methodology Policy to all affected Friant Division contractors with obligations under Article 11 of the Transfer Agreement at least 60 days prior to the effective date of any amendment. The proposed amendments must also be submitted concurrently to Reclamation for review and comment.

In addition to one comment letter received, FWA held multiple meetings with the General Managers for the Friant-Kern Canal Contractors to work through outstanding comments with the objective of reaching consensus on their resolution. The comments received through all forums revolved around five issues:

- (1) Equitability and Financial Impact of including Warren Act and non-Millerton project water deliveries into the 25-year rolling average to long-term contractors, in regards to (A) the allocation of annual, routine OM&R costs and (B) allocation of future extraordinary maintenance project costs.**

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<sup>2</sup> Note – the proposed revisions to FWA's OM&R Cost Recovery Policy related to charges for conveyance. Other OM&R charges related to water quality are NOT covered by this update and are addressed separately by FWA.

- **Issue:** Currently, long-term contractors that convey Warren Act and non-Millerton project water through the FKC pay a per-acre foot rate established annually by FWA. The proposed inclusion of the historic deliveries in the 25-year rolling average replaces the annual rate with an increased percentage share of the annual FKC OM&R. Concerns have been raised about the immediate impact of that increase on annual, routine OM&R as well as the impact inclusion of the deliveries in the rolling average may have on exposure to costs related to future extraordinary maintenance (XM) projects undertaken by FWA.
- **Discussion:**
  - In regard to the impact to annual, routine OM&R costs, FWA staff conducted an analysis comparing the current rate and historic annual delivery volume against inclusion of the deliveries in the 25-year rolling average. The result for two of the long-term contractors was that the costs were largely comparable and, for the other long-term contractor that consistently conveys these types of water, the immediate impact was a reduction in costs.
  - In regard to the impact on allocation of future XM projects, the current OM&R policy requires alternative cost allocation methodologies to be developed in the event there is an extraordinary project with a total project cost in excess of 50% FWA's annual routine OM&R budget. However, in recognition that the current policy did not contemplate Warren Act and non-Millerton project water in the 25-year rolling average, additional revisions were made to XM cost allocation provision to require appropriate analysis of benefits to be derived from the proposed project prior to inclusion of Warren Act and non-Millerton project water in a proposed allocation methodology.
- **Staff Recommendation:** FWA staff is recommending that Warren Act and non-Millerton project water be included in the 25-year rolling average calculation for FKC as it aligns the treatment of this type of water with every other type of water that long-term FKC contractors convey for the purposes of allocating OM&R costs for the FKC. Further, the net impact to long-term FKC contractors routine OM&R cost obligations that convey this water is nominal. Finally, to address concerns raised regarding exposure to XM project cost allocation, staff made additional revisions to the OM&R Cost Recovery Policy.
- **Position of Interested Parties.** After deliberations, the FKC General Managers could not come to consensus on this issue, with some contractors with outstanding concerns related to future exposure to future XM project costs.

**(2) Whether or not to include re-conveyance of previously banked project water in the 25-year rolling average:**

- **Issue:** Currently, in the 25-year rolling average calculation, project water that is conveyed to banking facilities is included, but when the project water is later reconveyed from the banking facilities using the FKC, those deliveries have not been included in the 25-year rolling average.

- **Discussion:** The underlying principle for cost allocation developed with the 2019 policy revisions was that use of the FKC was to drive equitable OM&R cost allocation. The proxy for “use” was water deliveries attributable to each Contractor’s contract entitlements. The rationale for inclusion was that the reconveyance of previously banked project water constitutes “use” of the facilities and should be included in the rolling average calculation.
- **Staff Recommendation:** FWA staff is recommending that reconveyance of previously banked project water be added to the 25-year rolling average for calculating the allocation of FKC OM&R costs. The proposed OM&R policy has been revised to reflect this addition.
- **Position of Interested Parties:** After additional deliberations, the FKC General Managers came to consensus and support staff’s recommended resolution of this issue, contingent upon a continuing, good faith effort by all Friant Division General Manager to work at reviewing FWA’s currently methodology for allocating SLDMWA OM&R costs and updating that methodology, as appropriate.

**(3) Whether or not to include Warren Act, Non-Millerton Project Water, and reconveyance of previously banked project water in the calculation of rates (Non-Long Term Contractors) and the 25-year rolling average (Long-Term Contractors) for allocating San Luis & Delta-Mendota Water Authority’s (SLDMWA) OM&R costs for conveyance of Settlement Water:**

- **Issue:** With the proposed inclusion of Warren Act, Non-Millerton Project Water, and previously banked project water into the 25-year rolling average for allocating FKC OM&R as well as the proposed inclusion of a SLDMWA rate component for non-long term contractors, the question was raised as to whether these deliveries should be allocated SLDMWA OM&R costs for conveying Settlement Water to the Settlement Contractors.
- **Discussion:** There were two schools of thought on this question. On one hand, the argument could be made that *if not for* the Exchange Contract, the Friant Dam and related conveyance facilities (Friant-Kern Canal and Madera Canal) would not have been built. On the other hand, the argument could be made that the Exchange Contract provided for delivery of non-Millerton Water to the Settlement Contractors in exchange for the Class 1 contract amounts in each Friant-Kern Canal Contractor’s contract allotment.
- **Staff Recommendation.** Staff is recommending that, for this policy update, Warren Act, non-Millerton project water, and reconveyance of previously banked project water be excluded from the 25-year rolling average calculation for allocating SLDMWA OM&R costs. Furthermore, to ensure consistent treatment, staff is also recommending that, for this update the SLDMWA rate component for deliveries by non-long term contractors using the FKC be excluded as well. There was substantial discussion regarding the merits of inclusion and exclusion in the course of this policy update. As noted below under issue #5 below, there was general consensus that additional review, analysis, and discussion regarding FWA’s methodologies for allocating SLDMWA’s OM&R costs was warranted. For this policy update, the rationale(s) for exclusion include:

- Reclamation's cost allocation for the Central Valley Project construction costs (and OM&R up until the responsibility for OM&R of the respective conveyance facilities was transferred in 1998) attributable to the Settlement Contractors was on a Class 1 basis only. Class 2 and other water deliveries made on the Friant-Kern Canal were not included in the basis for Reclamation's allocation of Settlement Contractor cost obligations.
  - The objective of inclusion of the Warren Act, non-Millerton project water, and reconveyance of previously banked project water in the 25-year rolling average is to replace annual OM&R fees with the same cost allocation methodology used for other types of water that long-term contractors convey on the FKC. For conveyance of these types of water, only the FKC facility is required and therefore only the equitable share of FKC facility OM&R costs should be allocated for those deliveries.
  - **Position of Interest Parties.** After deliberations, the FKC General Managers could not come to consensus on one element of this issue, with some supporting inclusion of SLDMWA OM&R costs in the allocation and others opposed. It was recognized that further, in-depth analysis and discussions were necessary in order to drive to consensus on this issue. As such, FWA will continue to work with the General Managers after this policy update to "deep dive" on the current methodologies and rationale for how FWA currently allocated SLDMWA's OM&R costs with the objective of developing a consensus position on any proposed revisions.
- (4) **Whether or not to differentiate the conveyance fees methodology for flood water conveyed by a non-long term contractor to a long-term contractor versus flood water conveyed to a non-long term contractor.**
- **Issue:** In the proposed methodology sent out for review in March, cost allocation for flood flow deliveries from non-long term contractors using the FKC differentiated between whether the flood flows were delivered to a FKC long-term contractor or not, with the former being paid by the long-term contractor in their 25-year rolling average and the latter being paid by the conveyance contractor using the same rate as for Section 215 deliveries.
  - **Discussion.** There was discussion regarding how to treat Warren Act flood flows that use the conveyance in the FKC for the purposes of equitable cost allocation and whether there be a differentiation on whether a long-term FKC contractor is a recipient or not.
  - **Staff Recommendation:** Staff is recommending that Warren Act flood flows originating from a non-long term contractor be charged the same rate as 215 deliveries with no differentiation regarding the recipient of the deliveries. The 215/flood flow rate recognizes the value of the conveyance while balancing the cost in a wet year and is a reasonable rate to charge.
  - **Position of Interested Parties:** After additional deliberations, the FKC General Managers came to consensus and support staff's recommended resolution of this issue.



**(5) Whether to revise the SLDMWA cost allocation methodology to eliminate the differentiation on pumping versus conveyance costs.**

- **Issue:** Since 1998, with the inclusion of OM&R costs for the Delta-Mendota Canal (DMC) in the cost obligations for Friant Contractors for Settlement Deliveries through the transferred works facilities that SLDMWA operates and maintains, FWA has allocated SLDMWA OM&R pumping costs on a Class 1 contract basis and DMC conveyance costs on a 25-year rolling average basis to all Friant Division Contractors. There was one comment received regarding revising that methodology to allocate all SLDMWA OM&R using the 25-year rolling average methodology.
- **Discussion:** Prior to 1998 and the respective OM&R transfer agreements between Reclamation and SLDMWA and FWA, Reclamation allocated a portion of the conveyance pumping pool OM&R attributable to Settlement Water deliveries to Friant Division contractors based upon their Class 1 deliveries. In the Memorandum of Understanding between FWA and SLDMWA, FWA agreed to extend its OM&R cost obligations for Settlement Water to include conveyance through the DMC and developed the cost allocation methodology to allocate those costs via the 25-year rolling average.
- **Staff Recommendation:** Staff is recommending no changes to the existing methodology at this time, beyond the clarification revisions proposed in March 2023, in order to implement the needed updates to FWA's methodology for allocating OM&R costs for conveyance of Warren Act and non-Millerton project water. It is recommended that additional discussions are necessary with all Friant Division contractors before any revisions to the current allocation methodology for SLDMWA OM&R costs are implemented with the objective of making necessary revisions within the next year.
- **Position of Interested Parties:** After additional deliberations, the FKC General Managers could not come to consensus on this issue at this time but recognized more time was needed to drive consensus on any revisions to the current methodology.

**CONVEYANCE RATE DETAILED DISCUSSION:**

Staff worked with the General Managers for the Friant-Kern Canal Contractors to develop the revised methodology for assessing OM&R on "Other Water" as well as assessing Water Delivery Contractors for Warren Act, non-Millerton project water, and reconveyance of previously banked project water deliveries. As of this update, the following will be implemented:

1. For "Other Water" conveyed to non-long-term contractors, the proposed methodology differentiates between two types of "Other Water" – Section 215/Flood Water and Warren Act (non-flood) water. For each type of water, a composite rate is calculated by combining routine OM&R costs and extraordinary replacement costs, as applicable. The formulas below show how each of the components are calculated and used to determine the conveyance rate. Please see **Attachment 3** for the calculated rates for FY 2023 using this proposed methodology:



- A. For Section 215/Flood Water, the conveyance rate is equal to the sum of two components (routine OM&R and extraordinary OM&R):

**Routine OM&R Rate Component:**

$$\frac{\text{Current Year Routine OM\&R Budget}}{\text{Average Class 1, Class 2, \& Sec. 215 Deliveries from the Last Two Wet Years}}$$

**Extraordinary OM&R Rate Component**

$$\frac{\text{Straight Line Depreciation of XM Project Costs}}{\text{Average Class 1, Class 2, \& Sec. 215 Deliveries from the Last Two of Three Wet Years}}$$

- B. For Warren Act (non-Flood) Water, the conveyance rate is equal to the sum of two rate components (routine OM&R and extraordinary OM&R):

**Routine OM&R Rate Component:**

$$\frac{\text{Current Year Routine OM\&R Budget}}{10 \text{ Year Rolling Average of Class 1 Deliveries}}$$

**Extraordinary OM&R Rate Component:**

$$\frac{\text{Straight Line Depreciation of XM Project Costs}}{10 \text{ Year Rolling Average of Class 1 Deliveries}}$$

2. For Warren Act, non-Millerton project water, and reconveyance of previously banked project water conveyed by long-term, Friant-Kern Canal Water Delivery Contractors, the proposed methodology includes this water as part of the existing 25-year rolling average calculation, eliminating the separate per acre-foot conveyance fee for these Contractors, with delivery data added initially starting with FY 2015 and forward.

**FINANCE COMMITTEE REVIEW AND RECOMMENDATION:**

At the May 22, 2023 FWA Finance Committee Meeting, the results of the 60-day review, including staff recommendations and position of interested parties, were deliberated in great detail. As a result of those discussions, the following revisions to the Policy were recommended by the Committee and were incorporated by staff into the proposed policy presented to the Board of Directors for final approval:

1. Update the Section 215/Flood Water conveyance rate methodology to ensure that charges are not less than projected per-acre foot costs for a long-term contractor. Based upon this feedback, staff updated the policy to specify the use of FKC Class 1, Class 2, and Section 215 deliveries from the latest two or three wet years when calculating the rate components. This results in a rate that is at least equivalent to the projected per-acre foot cost to a long-term contractor in the 25-year rolling average.

2. Set Fiscal Year 2015 as the first year in which Warren Act, non-Millerton project water, and reconveyance of previously banked project water are added to each long-term contractors 25-year rolling average. Based upon this feedback, staff updated the Policy with a footnote indicating that these deliveries are added for FY 2015 and forward. To put the impact to the 25-year rolling average in perspective, below is the average annual deliveries of Warren Act, non-Millerton Project Water, and reconveyance of previously banked project water for each long-term contractor. The average annual deliveries on the FKC over the last 10-year period (2011-2020) was approximately 676,000 acre-feet:

Long-Term Contractor	Average Annual Delivery
Delano-Earlimart ID	9,230 acre-feet
Fresno ID	7,764 acre-feet
Kern-Tulare ID	12,594 acre-feet
Lindsay-Strathmore ID	8,780 acre-feet

3. For this update, exclude Warren Act, non-Millerton project water, and reconveyance of previously banked project water from the calculation of the 25-year rolling average for long-term contractors for the purposes of allocating SLDMWA conveyance OM&R costs with the understanding that future discussions with the Friant Division Contractors are necessary to determine whether revisions to FWA’s methodology for allocating SLDMWA costs are warranted. Based upon this feedback, staff will continue to work with Friant Division Contractors on reviewing the existing methodology and discussing any proposed alternatives with the goal of achieving resolution within the next year.

#### **SUGGESTED MOTION:**

I move that the Board of Directors approve the proposed, revisions to FWA’s OM&R Cost Recovery Methodology Policy.

#### **BUDGET IMPACT:**

There is no adverse impact to the budget. Conveyance fees that are collected by FWA on “Other Water” are used to offset OM&R cost obligations which, in turn, reduce OM&R costs allocated to FKC Water Delivery Contractors.

#### **ATTACHMENTS:**

- 1) Proposed, Updated Friant Water Authority’s OM&R Cost Recover Policy (clean version)
- 2) Proposed Revisions to Friant Water Authority’s OM&R Cost Recovery Policy (red-line version)
- 3) FY 2023 Conveyance Fee Calculations
- 4) Orange Cove Irrigation District Comment Letter, March 28, 2023



# Friant Water Authority OM&R Cost Recovery Policy

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## **Friant-Kern Canal and Delta-Mendota Canal Conveyance & Pumping Facilities Cost Recovery Methodology Policy for Operation, Maintenance, Repair, and Replacement (OM&R) Costs**

**Effective June 1, 2023**

### **Background**

Since March 1, 1998, when the Friant Water Authority (FWA) (as successor to the Friant Water Users Authority) entered into that certain “Agreement To Transfer The Operation, Maintenance And Replacement And Certain Financial And Administrative Activities Related To The Friant-Kern Canal And Associated Work” (Transfer Agreement), FWA has been responsible for working with the CVP contractors that take delivery of water from the Friant-Kern Canal, in establishing a program of operation and maintenance and a cost recovery methodology that directly recovers FWA’s costs in operating and maintaining the Friant-Kern Canal.

Similarly, since 1998, the San Luis and Delta-Mendota Water Authority (SLDMWA) has been responsible for developing a program of operation and maintenance and a cost recovery methodology for the Delta-Mendota Canal, the Tracy Pumping Plant and the O’Neill Pump/Generating Plant. FWA is responsible for working with all long-term contractors of the Friant Division of the CVP (Friant Division Contractors) in establishing a program that directly recovers costs incurred by the SLDMWA attributable to the delivery of Exchange Contractor and San Joaquin River Water Rights Settlement Contractor water.

The following is a description of the updated cost recovery methodology for recovering the costs associated with the operation and maintenance of the Friant-Kern Canal.

This Policy covers operation, maintenance, repair, and replacement costs (collectively, “OM&R”) of the “Project Works” for the Friant-Kern Canal and related facilities as those terms are defined in the Transfer Agreement.

This Policy also covers the recovery of the costs associated with the operation, maintenance, repair, and replacement costs of the Delta-Mendota Canal and the Tracy and O’Neil Plants as those costs are applied to the delivery of water on behalf of Friant Division Contractors to meet the obligations for providing an alternative supply of water as contemplated under the *Contract for Exchange of Waters* to the Exchange Contractors and for San Joaquin River Water Rights Settlement Contractors.

As used in in this Policy, “Operation, Maintenance and Replacement” or “OM&R” has the meaning set forth in Article 1(c) of the Transfer Agreement, which is as follows:



“Operation, Maintenance and Replacement” or “OM&R” shall mean the complete operation and maintenance of the Project Works including performing, funding, and financing such repairs and replacements as are normally considered part of annual operation and maintenance functions and not considered Capital Improvement costs of the Project. OM&R shall include the performance, funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, unusual or extraordinary repair or replacement costs, and betterment costs, but only to the extent the costs thereof are not considered Capital Improvement costs of the Project. Notwithstanding the foregoing, OM&R shall also include Capital Improvements, as that term is defined in Article 1(a) which the Authority chooses to accomplish and finance pursuant to Article 5(b).

The definition of “Project Works” referenced in the definition of OM&R is found in Article 1(h) of the Transfer Agreement, which is as follows:

“Project Works” shall mean those facilities listed or described on the attached Exhibit A, which are incorporated herein by this reference, including: the Friant-Kern Canal and related in-line control facilities; wasteways, laterals, holding reservoirs, turnouts, and measuring devices, associated water level control devices and water level recording instruments; appurtenant equipment, structures and maintenance buildings; and such other facilities as the parties may agree by modification of Exhibit A, without amending this agreement.

The definition of “Capital Improvement” referenced in the definition of OM&R is found in Article 4(a) of the Transfer Agreement, and the relevant portion of Article 4 (b) of the Transfer Agreement that authorizes FWA to allocate the cost of Capital Improvements as part of OM&R are as follows:

4(a): Nothing in this Agreement shall be construed to require the Authority to make or fund improvements, modifications, replacements or repairs of any nature to the Project Works the costs of which should be or will be added to the Capital Improvement costs of the Project.

4(b): Notwithstanding the provisions of Article 5(a), in the event the Authority identifies Capital Improvements it deems necessary for the OM&R of the Project Works and the Contracting Officer is unable or unwilling to provide a mechanism for accomplishing and financing such Capital Improvements, the Authority may proceed with the accomplishment and financing of such Capital Improvements and deem



## Friant Water Authority OM&R Cost Recovery Policy

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the costs thereof to be OM&R cost thereunder, regardless of whether such costs are added to the Capital Improvements costs of the Project under Article 5(a).

### **Friant-Kern Canal OM&R Cost Recovery Methodology**

The following methodology will be employed in recovering the costs associated with the OM&R of the Friant-Kern Canal:

#### **For Long-Term Friant-Kern Canal Contractors (Water Delivery Contractors<sup>1</sup>):**

1. Annual OM&R costs will be based on actual FKC deliveries to contractors. All water types (including Warren Act water, Non-Millerton Project Water<sup>2</sup>, reconveyance of banked Project Water)<sup>3</sup> will be included in the calculation. The calculation will be based on the USBR Rate Schedule A-13 by individual contractor and include Section 215 water deliveries and Restoration Water Account (RWA) and Unreleased Restoration Flows (URF) deliveries as reported annually by the Bureau of Reclamation or other appropriate monitoring agency as well as Warren Act, non-Millerton Project Water, and reconveyance of previously banked Project Water reported by FWA and confirmed by FKC Contractors. OM&R costs will be based on the total volume of water (regardless of color) delivered by an individual contractor as a percentage of total water delivered to all Friant-Kern Canal contractors over the last 25-years of available delivery data.
2. Payment of each contractor's share of annual OM&R costs will be made in twelve equal monthly installments. Other payment plans can be arranged by a contractor; provided, however, that the contractor will have to bear any cost of borrowing that the Authority may incur to provide the alternative payment mechanism.
3. In the event of a proposed non-emergency project involving unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, or Capital Items, and the total budget for the project exceeds 50% of the prior fiscal year's budget for normal or routine OM&R activities, the method of cost recovery for the proposed project will be presented to the Friant Water Authority Board of Directors for consideration of potential alternative cost

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<sup>1</sup> See Article 1 of the Transfer Agreement for definition of "Water Delivery Contractor"

<sup>2</sup> For the purposes of this Policy, "Non-Millerton Project Water" refers to CVP contract supplies and other CVP water acquired by long-term contractors, through purchases, transfers, exchanges, and banking agreements which are approved by Reclamation and introduced into the Friant-Kern Canal (FKC) other than directly from Millerton Lake to the headworks of the FKC.

<sup>3</sup> Fiscal Year 2015 is the first year in the 25-year rolling average calculation where Warren Act, non-Millerton project water, and reconveyance of previously banked project water delivery data will be included.



recovery methodologies (including methodologies outside of water delivery such as cost avoidance) prior to approval of the proposed project and implementation of the standard OM&R cost recovery methodology set forth in Section 1 above. In the development and approval of alternative cost recovery methodologies, the inclusion of non-Millerton Project Water, previously banked project water, and Warren Act Water deliveries into any proposed cost allocation methodology shall be determined by an appropriate analysis of benefits. Emergency projects (defined as immediately damaging or imminently threatening to damage life or property) in an amount exceeding the threshold of 50% of the prior fiscal year's budget for normal or routine OM&R activities, may be undertaken immediately without Board of Director consideration of potential alternative cost recovery methodologies.

**For Parties Entitled to Utilize or Receive Other Water through the Friant-Kern Canal<sup>4</sup>.** For Other Water conveyed through the Friant-Kern Canal for Parties Entitled to Utilize or Receive Other Water, a per acre-foot conveyance fee will be assessed by FWA. FWA differentiates between two types of Other Water – Section 215/Flood Water and Warren Act (non-flood) water. Conveyance fees are calculated annually and consist of a combination of routine OM&R costs and replacement costs, as applicable:

1. **Section 215/Flood Water.** For Section 215 and flood water delivered to a Party Entitled to Utilize or Receive Other Water through the Friant-Kern Canal:
  - A. A routine OM&R rate component will be calculated using the current year's OM&R budget divided by an average of Friant-Kern Canal Class 1, Class 2, and Section 215 deliveries from the most recent two or three wet years. Wet years will be identified using the Department of Water Resources, Water Year Hydrologic Classification Indices for the San Joaquin Valley.
  - B. An extraordinary maintenance OM&R rate component will be calculated using an annual depreciation (calculated as straight-line depreciation) of all extraordinary maintenance project costs incurred for the Friant-Kern Canal divided by an average of Friant-Kern Canal Class 1, Class 2, and Section 215 deliveries from the most recent two or three wet years. Wet years will be identified using the Department of Water Resources, Water Year Hydrologic Classification Indices for the San Joaquin Valley

2. **Warren Act Water (non-flood).** For non-flood Warren Act water:

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<sup>4</sup> See the Article 1 of the Transfer Agreement for definitions of “Party Entitled to Utilize or Receive Other Water” and “Other Water”



## Friant Water Authority OM&R Cost Recovery Policy

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- A. A routine OM&R rate component will be calculated using the current year's OM&R budget divided by the 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings.
- B. An extraordinary OM&R rate component will be calculated using annual depreciation (calculated as straight-line depreciation) of all extraordinary maintenance project costs incurred for the Friant-Kern Canal divided by a 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings.

### **Delta-Mendota Canal Cost Recovery Methodology**

FWA and SLDMWA have entered into that certain First Amended and Restated Memorandum of Understanding Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities effective as of September 1, 2002, (as it may be amended, "MOU"), which includes the cost allocation plan that is used to assign costs of various Westside facilities to CVP water contractors, including Friant Division Contractors. The Friant Division's share of these expenses is distributed among the Friant Division Contractors. FWA will be responsible for assigning and collecting the allocated share of the Delta-Mendota Canal's (DMC) OM&R costs for the Friant Division contractors using the following cost recovery methodology:

1. Annual OM&R conveyance costs will be based on actual FKC and Madera Canal deliveries. All water types (except Warren Act water) will be included in the calculation. The calculation will be based on USBR Rate Schedule A-13 by individual contractor and include Section 215 water deliveries and RWA and URF deliveries as reported annually by the Bureau of Reclamation or other appropriate monitoring agency. SLDMWA OM&R conveyance costs will be based on total volume of water (regardless of color) delivered to an individual contractor as a percentage of total water delivered to all Friant Division contractors.
2. Annual OM&R conveyance costs will be allocated based upon the proportion of costs each contractor would have incurred if those costs would have been paid on an acre foot delivered basis each year for the immediate past 25 years.
3. Each month FWA bills each Friant-Division Contractor based upon their allocable share of the invoiced amounts received from SLDMWA to be paid over the prior 30-day period. In order to ensure timely payment to SLDMWA, FWA maintains a reserve amount that is sufficient to pay the highest anticipated monthly invoice from SLDMWA in the budget year.





### **Jones Pumping Plant and O'Neill Pumping-Generating Plant Cost Recovery Methodology**

1. Class 1 contractors will be the only Friant Division Contractors responsible for paying for the Friant Division's share of the OM&R costs of the Jones Pumping Plant and the O'Neill Pumping-Generating Plant costs.
2. Contract quantities of Class 1 water will be used as the basis for allocating the Friant Division's share of the Jones Pumping and O'Neill Pumping-Generating Plants' operation and maintenance expense to Friant Division Contractors. M&I water contractors will share in this expense on the same basis as Class 1 Irrigation water contractors.
3. The Friant Water Authority bills each Friant-Division Contractor based upon their allocable share of the invoices received from SLDMWA to be paid within 30-day terms. In order to ensure timely payment to SLDMWA, FWA maintains a reserve amount that is sufficient to cover the highest anticipated monthly invoice from SLDMWA in the budget year.

### **SLDMWA Reserve Costs Recovery Methodology**

SLDMWA funds certain long-term OM&R activities for Project Facilities through a separate reserve cost pool and allocates the annual contributions to the reserve to the SLDM Contractors and FWA. FWA allocates its share of SLDMWA's general reserve cost pool based upon a 35% conveyance/65% pumping methodology, where 35% of the costs will be allocated the same as the Delta-Mendota Canal cost recovery methodology and 65% will be allocated the same as the Jones Pumping Plant/O'Neill Pumping-Generating Plant cost recovery methodology. For any additional reserve cost pool to be established by SLDMWA for specific long-term expenditures (such as the Jones Pumping Plant Rewinds), FWA will allocate the costs based upon their primary relationship to either the Delta-Mendota Canal conveyance or Jones Pumping Plant/O'Neill Pumping-Generating Plant cost components (e.g., a specific extraordinary maintenance project may affect the Delta-Mendota Canal and FWA would allocate 100% of the reserve contribution on the same basis as conveyance costs.)





## Friant Water Authority OM&R Cost Recovery Policy

### Friant-Kern Canal and Delta-Mendota Canal Conveyance & Pumping Facilities Cost Recovery Methodology Policy for Operation, Maintenance, Repair, and Replacement (OM&R) Costs

Effective June 1, 2023

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#### Background

Since March 1, 1998, when the Friant Water Authority (FWA) (as successor to the Friant Water Users Authority) entered into that certain "Agreement To Transfer The Operation, Maintenance And Replacement And Certain Financial And Administrative Activities Related To The Friant-Kern Canal And Associated Work" (Transfer Agreement), FWA has been responsible for working with the CVP contractors that take delivery of water from the Friant-Kern Canal, in establishing a program of operation and maintenance and a cost recovery methodology that directly recovers FWA's costs in operating and maintaining the Friant-Kern Canal.

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Similarly, since 1998, the San Luis and Delta-Mendota Water Authority (SLDMWA) has been responsible for developing a program of operation and maintenance and a cost recovery methodology for the Delta-Mendota Canal, the Tracy Pumping Plant and the O'Neill Pump/Generating Plant. FWA is responsible for working with all long-term contractors of the Friant Division of the CVP (Friant Division Contractors) in establishing a program that directly recovers costs incurred by the SLDMWA attributable to the delivery of Exchange Contractor and San Joaquin River Water Rights Settlement Contractor water.

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The following is a description of the updated cost recovery methodology for recovering the costs associated with the operation and maintenance of the Friant-Kern Canal.

This Policy covers operation, maintenance, repair, and replacement costs (collectively, "OM&R") of the "Project Works" for the Friant-Kern Canal and related facilities as those terms are defined in the Transfer Agreement.

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This Policy also covers the recovery of the costs associated with the operation, maintenance, repair, and replacement costs of the Delta-Mendota Canal and the Tracy and O'Neil Plants as those costs are applied to the delivery of water on behalf of Friant Division Contractors to meet the obligations for providing an alternative supply of water as contemplated under the *Contract for Exchange of Waters* to the Exchange Contractors and for San Joaquin River Water Rights Settlement Contractors.

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As used in in this Policy, "Operation, Maintenance and Replacement" or "OM&R" has the meaning set forth in Article 1(c) of the Transfer Agreement, which is as follows:

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OM&R COST RECOVERY PROCEDURES; ADOPTED ON MAY 25, 2023



## Friant Water Authority OM&R Cost Recovery Policy

"Operation, Maintenance and Replacement" or "OM&R" shall mean the complete operation and maintenance of the Project Works ~~including performing, funding, and financing~~ such repairs and replacements as are normally considered part of annual operation and maintenance functions and not considered ~~Capital Improvement costs of the Project.~~ OM&R shall include the performance, ~~funding, and financing~~ of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, and betterment costs, but only to the extent the costs thereof are not considered ~~Capital Improvement costs of the Project.~~ Notwithstanding the foregoing, OM&R shall also include Capital ~~Improvements~~, as that term is defined in Article ~~1(a)~~ which the Authority chooses to accomplish and finance pursuant to Article ~~5(b)~~.

The definition of "Project Works" referenced in the definition of OM&R is found in Article 1(h) of the Transfer Agreement, which is as follows:

"Project Works" shall mean those facilities listed or described on the attached Exhibit A, which are incorporated herein by this reference, including: the Friant-Kern Canal and related in-line control facilities; ~~wasteways, laterals, holding reservoirs, turnouts, and measuring devices, associated water level control devices and water level recording instruments; appurtenant equipment, structures and maintenance buildings;~~ and such other facilities as the parties may agree by modification of Exhibit A, ~~without amending this agreement,~~

The definition of "Capital ~~Improvement~~" referenced in the definition of OM&R is found in Article 4(a) of the Transfer Agreement, and the relevant portion of Article 4 (b) of the Transfer Agreement that authorizes FWA to allocate the cost of Capital ~~Improvements~~, as part of OM&R are as follows:

4(a): Nothing in this Agreement shall be construed to require the Authority to make or fund improvements, modifications, replacements or repairs of any nature to the Project Works the costs of which should be or will be added to the ~~Capital Improvement costs of the Project,~~

4(b): Notwithstanding the provisions of Article ~~5(a)~~, in the event the Authority identifies Capital ~~Improvements~~, it deems necessary for the OM&R of the Project Works and the Contracting Officer is unable or unwilling to provide a mechanism for accomplishing and financing such Capital ~~Improvements~~, the Authority may proceed with the accomplishment and financing of such Capital ~~Improvements~~, and deem

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## Friant Water Authority OM&R Cost Recovery Policy

the costs thereof to be OM&R cost thereunder, regardless of whether such costs are added to the Capital Improvements costs of the Project under Article 5(a).

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### Friant-Kern Canal OM&R Cost Recovery Methodology

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The following methodology will be employed in recovering the costs associated with the OM&R of the Friant-Kern Canal:

#### For Long-Term Friant-Kern Canal Contractors (Water Delivery Contractors<sup>1</sup>):

1. Annual OM&R costs will be based on actual FKC deliveries to contractors. All water types (including Warren Act water, Non-Millerton Project Water<sup>2</sup>, reconveyance of banked Project Water)<sup>3</sup> will be included in the calculation. The calculation will be based on the USBR Rate Schedule A-13 by individual contractor and include Section 215 water deliveries and Restoration Water Account (RWA) and Unreleased Restoration Flows (URF) deliveries as reported annually by the Bureau of Reclamation or other appropriate monitoring agency as well as Warren Act, non-Millerton Project Water, and reconveyance of previously banked Project Water reported by FWA and confirmed by FKC Contractors. OM&R costs will be based on the total volume of water (regardless of color) delivered by an individual contractor as a percentage of total water delivered to all Friant-Kern Canal contractors over the last 25-years of available delivery data.

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<#>Annual OM&R costs will be allocated based upon the proportion of costs each contractor would have incurred if those costs would have been paid on an acre foot delivered basis each year for the immediate past 25 years. ¶

2. Payment of each contractor's share of annual OM&R costs will be made in twelve equal monthly installments. Other payment plans can be arranged by a contractor; provided, however, that the contractor will have to bear any cost of borrowing that the Authority may incur to provide the alternative payment mechanism.

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3. In the event of a proposed non-emergency project involving unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, or Capital Items, and the total budget for the project exceeds 50% of the prior fiscal year's budget for normal or routine OM&R activities, the method of cost recovery for the proposed project will be presented to the

<sup>1</sup> See Article 1 of the Transfer Agreement for definition of "Water Delivery Contractor"

<sup>2</sup> For the purposes of this Policy, "Non-Millerton Project Water" refers to CVP contract supplies and other CVP water acquired by long-term contractors, through purchases, transfers, exchanges, and banking agreements which are approved by Reclamation and introduced into the Friant-Kern Canal (FKC) other than directly from Millerton Lake to the headworks of the FKC.

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<sup>3</sup> Fiscal Year 2015 is the first year in the 25-year rolling average calculation where Warren Act, non-Millerton project water, and reconveyance of previously banked project water delivery data will be included.

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## Friant Water Authority OM&R Cost Recovery Policy

Friant Water Authority Board of Directors for consideration of potential alternative cost recovery methodologies (including methodologies outside of water delivery such as cost avoidance), prior to approval of the proposed project and implementation of the standard OM&R cost recovery methodology set forth in Section 1 above. In the development and approval of alternative cost recovery methodologies, the inclusion of non-Millerton Project Water, previously banked project water, and Warren Act Water deliveries into any proposed cost allocation methodology shall be determined by an appropriate analysis of benefits. Emergency projects (defined as immediately damaging or imminently threatening to damage life or property) in an amount exceeding the threshold of 50% of the prior fiscal year's budget for normal or routine OM&R activities, may be undertaken immediately without Board of Director consideration of potential alternative cost recovery methodologies.

**For Parties Entitled to Utilize or Receive Other Water through the Friant-Kern Canal<sup>4</sup>.** For Other Water conveyed through the Friant-Kern Canal for Parties Entitled to Utilize or Receive Other Water, a per acre-foot conveyance fee will be assessed by FWA. FWA differentiates between two types of Other Water – Section 215/Flood Water and Warren Act (non-flood) water. Conveyance fees are calculated annually and consist of a combination of routine OM&R costs and replacement costs, as applicable:

**1. Section 215/Flood Water.** For Section 215 and flood water delivered to a Party Entitled to Utilize or Receive Other Water through the Friant-Kern Canal:

A. A routine OM&R rate component will be calculated using the current year's OM&R budget divided by an average of Friant-Kern Canal Class 1, Class 2, and Section 215 deliveries from the most recent two or three wet years. Wet years will be identified using the Department of Water Resources, Water Year Hydrologic Classification Indices for the San Joaquin Valley.

B. An extraordinary maintenance OM&R rate component will be calculated using an annual depreciation (calculated as straight-line depreciation) of all extraordinary maintenance project costs incurred for the Friant-Kern Canal divided by an average of Friant-Kern Canal Class 1, Class 2, and Section 215 deliveries from the most recent two or three wet years. Wet years will be identified using the Department of Water Resources, Water Year Hydrologic Classification Indices for the San Joaquin Valley.

**2. Warren Act Water (non-flood).** For non-flood Warren Act water:

<sup>4</sup> See the Article 1 of the Transfer Agreement for definitions of "Party Entitled to Utilize or Receive Other Water" and "Other Water"

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A SLDMWA OM&R rate component will be calculated using the average OM&R costs paid by FWA for SLDMWA OM&R from the last 3 years of available final accountings divided by an average of all Friant-Kern Canal deliveries from the most recent two or thr...

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## Friant Water Authority OM&R Cost Recovery Policy

A. A routine OM&R rate component will be calculated using the current year's OM&R budget divided by the 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings.

B. An extraordinary OM&R rate component will be calculated using annual depreciation (calculated as straight-line depreciation) of all extraordinary maintenance project costs incurred for the Friant-Kern Canal divided by a 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings.

### Delta-Mendota Canal Cost Recovery Methodology

FWA and SLDMWA have entered into that certain First Amended and Restated Memorandum of Understanding Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities effective as of September 1, 2002, (as it may be amended, "MOU"), which includes the cost allocation plan that is used to assign costs of various Westside facilities to CVP water contractors, including Friant Division Contractors. The Friant Division's share of these expenses is distributed among the Friant Division Contractors. FWA will be responsible for assigning and collecting the allocated share of the Delta-Mendota Canal's (DMC) OM&R costs for the Friant Division contractors using the following cost recovery methodology:

1. Annual OM&R conveyance costs will be based on actual FKC and Madera Canal deliveries. All water types (except Warren Act water) will be included in the calculation. The calculation will be based on USBR Rate Schedule A-13 by individual contractor and include Section 215 water deliveries and RWA and URF deliveries as reported annually by the Bureau of Reclamation or other appropriate monitoring agency. SLDMWA OM&R conveyance costs will be based on total volume of water (regardless of color) delivered to an individual contractor as a percentage of total water delivered to all Friant Division contractors.
2. Annual OM&R conveyance costs will be allocated based upon the proportion of costs each contractor would have incurred if those costs would have been paid on an acre foot delivered basis each year for the immediate past 25 years.
3. Each month FWA bills each Friant-Division Contractor based upon their allocable share of the invoiced amounts received from SLDMWA to be paid over the prior 30-day period. In order to ensure timely payment to SLDMWA, FWA maintains a reserve amount that is sufficient to pay the highest anticipated monthly invoice from SLDMWA in the budget year.

5 | Page

OM&R COST RECOVERY PROCEDURES; ADOPTED ON MAY 25, 2023

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<#>A SLDMWA OM&R rate component will be calculated using the average conveyance costs paid by FWA for the Delta-Mendota Canal from the last 3 years of available final accountings divided by a 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings. ¶

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## Friant Water Authority OM&R Cost Recovery Policy

### Jones Pumping Plant and O'Neill Pumping-Generating Plant Cost Recovery Methodology

1. Class 1 contractors will be the only Friant Division ~~C~~ontractors responsible for paying for the Friant Division's share of the OM&R costs of the Jones Pumping Plant and the O'Neill Pumping-Generating Plant costs.
2. Contract quantities of Class 1 water will be used as the basis for allocating the Friant Division's share of the Jones Pumping and O'Neill Pumping-Generating Plants' operation and maintenance expense to Friant Division ~~C~~ontractors. M&I water contractors will share in this expense on the same basis as Class 1 Irrigation water contractors.
3. The Friant Water Authority bills each Friant-Division Contractor based upon their allocable share of the invoices received from SLDMWA to be paid within 30-day terms. In order to ensure timely payment to SLDMWA, FWA maintains a reserve amount that is sufficient to cover the highest anticipated monthly invoice from SLDMWA in the budget year.

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### SLDMWA Reserve Costs Recovery Methodology

SLDMWA funds certain long-term OM&R activities for Project Facilities through a separate reserve cost pool and allocates the annual contributions to the reserve to the SLDM Contractors and FWA. FWA allocates its share of SLDMWA's general reserve cost pool based upon a 35% conveyance/65% pumping methodology, where 35% of the costs will be allocated the same as the Delta-Mendota Canal cost recovery methodology and 65% will be allocated the same as the Jones Pumping Plant/O'Neill Pumping-Generating Plant cost recovery methodology. For any additional reserve cost pool to be established by SLDMWA for specific long-term expenditures (such as the Jones Pumping Plant Rewinds), FWA will allocate the costs based upon their primary relationship to either the Delta-Mendota Canal conveyance or Jones Pumping Plant/O'Neill Pumping-Generating Plant cost components (e.g., a specific extraordinary maintenance project may affect the Delta-Mendota Canal and FWA would allocate 100% of the reserve contribution on the same basis as conveyance costs.)

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**FKC Warren Act Conveyance Charge Scenarios (Non-Friant Division Contractors)**  
**May 23, 2023**

References	
FY23 FKC OM&R Budget	\$ 12,780,000
MRCCP Phase 1 Budget	\$ 292,500,000
Avg. Last Two Wet Years Class 1, Class 2, & 215 Deliveries (2017 & 2019)	\$ 1,040,621
10-Year Rolling Avg Class 1 Deliveries (FY12 - FY21)	411,211

Numerator:  
Denominator:  
Rate / AF

215 / Flood Water Conveyance (Non-Long-Term) Routine OM&R Component	
Current OM&R Budget	\$ 12,780,000
Avg W (2017 & 2019)	1,040,621
	\$ 12.28

Numerator:  
Denominator:  
Rate / AF

215 / Flood Water Conveyance (Non-Long-Term) Replacement Component	
Annual MRCCP Phase 1 SLD	\$9,750,000.00
Avg W (2017 & 2019)	1,040,621
	\$ 9.37

<b>215 / Flood Water Composite Conveyance Rate (FY 2023)</b>	<b>\$ 21.65</b>
--	-----------------

**Notes:**

- 1/ This conveyance charge is for 215/Flood Water conveyed by a non-long-term Contractor.
- 2/ 215 & Flood Water Conveyance Charge reflects anticipated wet year conveyance and is differentiated from Warren Act Conveyance



Numerator:  
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Warren Act Routine OM&R Conveyance Rate Component	
Current OM&R Budget	\$ 12,780,000
10-Year Rolling Average Class 1	411,211
	\$ 31.08

**Notes:**

- 1/ Rolling Average of Class 1 is representative of annual use of canal and includes use during dry/critical years
- 2/ Rolling Average of Class 1 approach maintains relatively stable rate from year to year for budgeting purposes

Numerator:  
Denominator:  
Rate / AF

Warren Act Replacement (XM) Conveyance Rate Component	
Annual MRCCP Phase 1 SLD	\$9,750,000.00
10-Year Rolling Average Class 1	411,211
	\$ 23.71

**Notes:**

- 1/ Used Straight-Line Depreciation of MRCCP Phase 1 Cost over 30 years, no salvage value

<b>Warren Act Composite</b>	
<b>Conveyance Rate (FY 2023)</b>	<b>\$ 54.79</b>



**ORANGE COVE IRRIGATION DISTRICT**  
**1130 PARK BOULEVARD**  
**ORANGE COVE, CALIFORNIA 93646**  
Phone: (559) 626-4461  
Fax: (559) 626-4463  
Webpage: [OrangeCoveID.org](http://OrangeCoveID.org)

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**Controller/Treasurer**

Roger Paine

**General Legal Counsel**

Scott Kuney, Esquire

Young Wooldridge, LLP

March 28, 2023

Mr. Wilson Orvis

CFO Friant Water Authority

Sent via email – [worvis@friantwater.org](mailto:worvis@friantwater.org)

Re: 60-Day Review of Proposed Revisions to Friant Water  
Authority's OM&R Cost Recovery Methodology

Mr. Orvis:

Thank you for the subject documents outlining proposed changes to the methodology for Friant Division Cost Recovery of Operation, Maintenance and Replacement Costs. Please accept and transmit the Orange Cove Irrigation District's comments for consideration by the Friant Water Authority Board of Directors following the 60-Day review period.

The following comments are provided, referencing your "red-line" version of the document that was disseminated for the 60-day public review:

- On page 2 of 6, the phrase – "unusual or extraordinary repair or replacement costs" is repeated in the first paragraph.
- On page 2 of 6, recited Article 4(b) references Article 5(a) changed from 4(a) and it is not clear this was intended.
- On page 3 of 6, Article 5(a) is again referenced in the first sentence, and it is not clear this was intended (should it reference Article 4a?).
- On page 5 of 6, under Delta-Mendota Canal Cost Recovery Methodology provision 1, Warren Act Water is excepted or excluded from the calculation for recovery of DMC costs. It seems that recovery of DMC and FKC OM&R costs are treated differently with respect to Warren Act applicability in cost recovery equations if this is the case. If this is the intention, it seems to be inconsistent with the – "but for" paying all required OM&R obligations there would be no FKC providing the beneficiary of Warren Act water deliveries.
- On page 6 of 6, is described the legacy obligation that Class 1 contract quantity be the only factor determining the Friant Division's cost obligation for Jones and O'Neill Pumping plants and O'Neill Generating plant OM&R. It is my understanding that this is done today because it was previously done by Reclamation....and they had their reasons. Given that we are moving away from Class 1, Class 2, etc...water distinctions for OM&R with a viewpoint that *water is water*, coupled with the fact that "*but for*"

those pumping plants being paid for - there would be no Friant-Kern Canal I believe this detail should be discussed by the Friant Board so that we arrive at a completely consistent methodology obligating parties that receive water from the FKC to pay for the benefit they receive, including all aspects of required cost obligations, including for settlement contractor pumping.

- The comment immediately above applies to SLDMWA Reserve Cost Recovery Methodology as well.
- One issue that arose during previous discussions that I don't see addressed in this red-line document, at least not explicitly, is whether banked water reintroduced into the FKC for *return* to the beneficiary, pays for the conveyance required for each leg of the trip (the *put* and the *return*) or whether the conveyance should be paid for during the *put* side only and get a free ride for the return trip. On the basis that water is water and every time a supply touches the FKC, the beneficiary should pay for the privilege afforded by the Canal's viability. I do note that the issue is daylighted in the Agenda Report Attachments document.

With that, thank you again for your efforts to synthesize discussion input from the Contractors and for the opportunity to provide formal feedback on this important Policy!

Sincerely,



Fergus Morrissey  
Engineer-Manager  
Orange Cove Irrigation District

CC: OCID Board of Directors (via email)

**DATE:** May 25, 2022

**TO:** Board of Directors

**FROM:** Jason Phillips, CEO; Wilson Orvis, CFO

**SUBJECT:** **Middle Reach Capacity Correction Project, Phase 1, Spending Plan Update**

---

**SUMMARY:**

Exhibit C of the “Cost Share and Contributed Funds Agreement between the Friant Water Authority and the United States of America for the Friant-Kern Canal Middle Reach Capacity Correction Project” (April 28, 2021) [Cost-Share Agreement] sets forth the “Spending Plan” for the Middle Reach Capacity Correction Plan, Phase 1 (Project). The Spending Plan identified the total estimated costs for the Project, the estimated Project expenditures by quarter, and set forth the funding amounts, by quarter, to be provided by the Friant Water Authority (FWA) to the Bureau of Reclamation (Reclamation) to cover FWA’s portion of the Project costs and to ensure that, by the end of the Project, FWA’s share of the Project costs was at least 50%.

The original Spending Plan in the Cost-Share Agreement was approved in April 2021. The Spending Plan was amended in February 2022 to update the total Phase 1 cost estimate to \$292.5 million and align FWA’s payments to Reclamation with the progress payment schedule submitted by the canal contractor.

The Spending Plan needs to be updated this month to (1) update the total Project budget to reflect the updated cost estimates for the replacement pump stations and (2) update the FWA payment schedule to align with the proposed approach and timing for the construction of the replacement pump stations. Two options have been developed jointly by FWA and Reclamation staff for consideration by the Board.

Approval of a revised Spending Plan this month is necessary to ensure that the next FWA Project payment to Reclamation aligns with the proposed approach and timing for the construction of the pump stations. Without an approved amendment to the Spending Plan, the current Spending Plan would require a \$25,079,000 payment to Reclamation by June 30, 2023.

## SPENDING PLAN OPTIONS

FWA and Reclamation have developed two Spending Plan options for consideration by the Board of Directors:

**Option 1** – Reclamation Contracts for Pump Station Construction in 2023 & Conducts Construction Management. Under this option:

- Reclamation would proceed with solicitation of the replacement pump stations in early June with an anticipated award in September and notice to proceed in October 2023.
- Reclamation would solicit the contract with qualified Indian Small Business Economic Enterprises (ISBEE).
- Reclamation would conduct the construction management (similar to the approach with the canal construction).

### Potential Benefits of Option 1 include:

- Pump station construction is not significantly delayed - resulting in less uncertainty regarding future market conditions.
- A notice to proceed in October 2023 would ensure that the contractor can take advantage of the planned canal outage for the canal contract to conduct some of the initial construction work, as currently planned.
- The updated spending plan increases Reclamation's near-term cost-share percentages, allowing FWA more time to secure the additional needed funding.

### Identified Risks of Option 1 include:

- Reclamation's ISBEE procurement approach may result in increased contract costs compared to full and open competition.
- Even with the additional time, FWA may be unable to secure the additional non-Federal funding necessary to meet the payment schedule identified in the updated Spending Plan.

**Option 2** – FWA Contracts for Pump Station Construction in 2024 & Contracts for the Construction Management. Under this option:

- FWA would solicit for the construction of the replacement pump stations no later than April 2024, with an anticipated award in July 2024 and notice to proceed in October 2024.
- FWA would solicit the contract under California public works contracting requirements.
- FWA would contract separately for construction management services, which could mean Reclamation supports the construction management or could mean an engineering consultant is selected to support FWA.

### Potential Benefits of Option 2 include:

- FWA may realize reduced contract costs as the contract would be solicited under full and open competition and awarded to the lowest, responsible bidder.
- The delay in soliciting for the pump stations gives FWA another year to secure additional non-Federal funding to meet the 50% cost-share requirement.

Identified Risks of Option 2 include:

- A one-year delay increases uncertainty regarding future market conditions, potentially increasing the contract cost.
- The delay means that the contractor cannot take advantage of the planned canal outage, potentially increasing costs.
- Even with the additional time, FWA may be unable to obtain Board approval to proceed with the solicitation in April 2024. If that is the case, Reclamation has indicated that it would proceed to implement the provisions of Section IV.E.i.2.c. of the Cost Share Agreement, which provides that if FWA cannot obtain funding, Reclamation is authorized to obtain financing and impose specified terms and conditions on FWA.

**SUGGESTED MOTION:**

I move that the Board of Directors approve proposed [Option 1 or Option 2], which amends Exhibit C, Spending Plan, of the Cost-Share Agreement.

**ATTACHMENTS**

- Option 1 – Proposed Revised Spending Plan, Exhibit C, Cost Share Agreement: Reclamation Contracts for Pump Station Construction in 2023 & Conducts Construction Management
- Option 2 – Proposed Revised Spending Plan, Exhibit C, Cost Share Agreement: FWA Contracts for Pump Station Construction in 2024 & Contracts for Construction Management

OPTION #1 – Pump Station Solicitation June 2023, Reclamation is Contracting Entity

EXHIBIT C

SPENDING PLAN

Friant-Kern Canal Middle Reach Capacity Correction Project  
Phase 1 – Spending Plan

May 2023 Update<sup>1</sup>

Estimated Cost and Maximum Cost for Phase 1<sup>2</sup>:

Estimated Non-Construction Costs: \$90 million

Estimated Construction Contract Costs (Canal and Pump Stations): \$236.6 million

Maximum Cost: \$326.6 million

Definitions:

**Maximum Cost** is the cost estimate for Phase 1 of the Project, including prior eligible costs. The Maximum Cost may only be increased if sufficient funding is identified and both FWA and Reclamation agree to increase the cost.

**Phase 1 Construction Cash Flow** is shown in Table 1 and represents the quarterly expenditures to complete Phase 1, including all anticipated construction contract and non-contract costs. Table 1 also shows the expected quarterly contributions by FWA and Reclamation over the construction period. FWA or Reclamation can agree to fund a larger share of the quarterly payment, but total contributions for Phase 1 construction contract and non-contract costs will be shared equally with FWA's intent to reach the 50% cost share level over the course of the Project. FWA and Reclamation will meet on at least a quarterly basis to update cash flows and contributions to ensure that upcoming quarterly cash contributions are available. As new Project information is available, the project budget and expenditures will be updated to reflect the new information. The timing of expenditures will be reviewed by Reclamation and FWA to ensure contribution schedules can be met.

Phase 1 FWA Contributions to Reclamation are also shown in Table 1 ("FWA Payments to Bureau") and represent the expected payments by FWA into the Contributed Funds Account.

<sup>1</sup> This version is updated to reflect: (1) Total Project Cost estimate increasing from \$292.5 million to \$326.6 million, (2) Reclamation soliciting for the replacement pump stations in June 2023 and conducting construction management, and (3) Reclamation agrees that the contract award for the replacement pump stations will not exceed the maximum cost estimate in the latest budget, unless Reclamation receives prior approval from FWA to exceed the budgeted amount.

<sup>2</sup> Includes anticipated contract costs for the canal construction and replacement pump stations. With this spending plan update, separate contingency line-items were developed for the canal contract and the replacement pump stations contract.

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**OPTION #1 – Pump Station Solicitation June 2023, Reclamation is Contracting Entity**

**Bureau CM and Same Timeline**  
**BUREAU CONTRACT TO CONSTRUCT PUMP STATIONS - BUREAU CM/CS**  
**Spending Plan Update with Bureau Contract for Pump Stations**  
(thousands of dollars)

Fed Share = 50.0% by 2026 Q3

**Pump Station Solicitation:** Jun-23

**Pump Station Contract Award:** Sep-23

**Pump Station Notice to Proceed:** Oct-23

Calendar Year	Fiscal Year	Federal Funding					Friant Water Authority				
		Canal Construction	Pump Station Construction	Bureau Costs	Less: FWA Payment to Bureau	Federal Share	Payments to Bureau	Pump Station Payments	FWA Costs	FWA Share	Federal %
1 2022 Q3	2022 Q4	72,390	-	34,785	(28,818)	78,357	28,818	-	15,340	44,158	64.0%
2 2022 Q4	2023 Q1	25,139	-	2,696	(12,682)	15,153	12,682	-	226	12,908	62.1%
3 2023 Q1	2023 Q2	18,284	-	2,695	(25,618)	(4,639)	25,618	-	1,276	26,894	51.4%
4 2023 Q2	2023 Q3	30,691	-	3,146	(8,000)	25,837	8,000	-	1,004	9,004	55.2%
5 2023 Q3	2023 Q4	22,533	1,071	3,205	-	26,810	-	-	1,881	1,881	59.9%
6 2023 Q4	2024 Q1	11,883	3,544	2,931	(4,000)	14,358	4,000	-	326	4,326	61.1%
7 2024 Q1	2024 Q2	6,042	3,564	2,920	(4,000)	8,525	4,000	-	162	4,162	61.4%
8 2024 Q2	2024 Q3	5,093	1,113	2,920	(4,000)	5,126	4,000	-	142	4,142	61.2%
9 2024 Q3	2024 Q4	3,514	2,245	2,992	(4,000)	4,752	4,000	-	162	4,162	61.0%
10 2024 Q4	2025 Q1	-	5,070	1,554	(7,000)	(376)	7,000	-	118	7,118	59.4%
11 2025 Q1	2025 Q2	-	5,439	1,472	(7,000)	(89)	7,000	-	98	7,098	58.0%
12 2025 Q2	2025 Q3	-	5,439	1,435	(7,000)	(126)	7,000	-	298	7,298	56.6%
13 2025 Q3	2025 Q4	-	5,439	1,435	(6,000)	874	6,000	-	298	6,298	55.6%
14 2025 Q4	2026 Q1	-	5,439	1,502	(6,000)	941	6,000	-	86	6,086	54.7%
15 2026 Q1	2026 Q2	-	2,392	1,502	(6,000)	(2,106)	6,000	-	86	6,086	53.3%
16 2026 Q2	2026 Q3	-	301	501	(6,000)	(5,198)	6,000	-	86	6,086	51.6%
17 2026 Q3	2026 Q4	-	-	262	(5,335)	(5,073)	5,335	-	86	5,421	50.0%
18 2026 Q4	2027 Q1	-	-	132	-	132	-	-	66	66	50.0%
19 2027 Q1	2027 Q2	-	-	48	-	48	-	-	66	66	50.0%
20 2027 Q2	2027 Q3	-	-	-	-	-	-	-	41	41	50.0%
21 2027 Q3	2027 Q4	-	-	-	-	-	-	-	2	2	50.0%
22 2027 Q4	2028 Q1	-	-	-	-	-	-	-	-	-	50.0%
23 2028 Q1	2028 Q2	-	-	-	-	-	-	-	-	-	50.0%
Total		195,569	41,055	68,132	(141,453)	163,303	141,453	-	21,849	163,302	

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**OPTION #2 – Deferral of Pump Station Solicitation to April 2024, FWA is Contracting Entity**

**EXHIBIT C**

**SPENDING PLAN**

**Friant-Kern Canal Middle Reach Capacity Correction Project  
Phase 1 – Spending Plan**

May 2023 Update<sup>1</sup>

**Estimated Cost and Maximum Cost for Phase 1<sup>2</sup>:**

Estimated Non-Construction Costs: \$90 million

Estimated Construction Contract Costs (Canal and Pump Stations): \$233.7 million

Maximum Cost: \$323.7 million

**Definitions:**

**Maximum Cost** is the cost estimate for Phase 1 of the Project, including prior eligible costs. The Maximum Cost may only be increased if sufficient funding is identified and both FWA and Reclamation agree to increase the cost.

**Phase 1 Construction Cash Flow** is shown in Table 1 and represents the quarterly expenditures to complete Phase 1, including all anticipated construction contract and non-contract costs. Table 1 also shows the expected quarterly contributions by FWA and Reclamation over the construction period. FWA or Reclamation can agree to fund a larger share of the quarterly payment, but total contributions for Phase 1 construction contract and non-contract costs will be shared equally with FWA's intent to reach the 50% cost share level over the course of the project. FWA and Reclamation will meet on at least a quarterly basis to update cash flows and contributions to ensure that upcoming quarterly cash contributions are available. As new Project information is available, the project budget and expenditures will be updated to reflect the new information. The timing of expenditures will be reviewed by Reclamation and FWA to ensure contribution schedules can be met.

Phase 1 FWA Contributions to Reclamation are also shown in Table 1 ("FWA Payments to Bureau") and represent the expected payments by FWA into the Contributed Funds Account.

<sup>1</sup> This version is updated to reflect: (1) Total Project Cost estimate increasing from \$292.5 million to \$323.7 million, (2) FWA taking on the responsibility for contract award and administration of the replacement pump stations, and (3) deferral of solicitation for the replacement pump stations until April 2024.

<sup>2</sup> Includes anticipated contract costs for the canal construction and replacement pump stations. With this spending plan update, separate contingency line-items were developed for the canal contract and the replacement pump stations contract.

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**Deleted:** projected expenditures by quarter developed jointly by Reclamation and FWA, and (3) Construction Contractor Progress Payment Schedule (received February 3, 2022)....



**OPTION #2 – Deferral of Pump Station Solicitation to April 2024, FWA is Contracting Entity**

**FWA CONSTRUCT PUMP STATIONS - FWA CM/CS - DEFERRAL ONE YEAR**

**Spending Plan Update with FWA Contract for Pump Stations**  
(thousands of dollars)

Fed Share = 50.0% by 2027 Q3

**Pump Station Solicitation:** Apr-24

**Pump Station Bid Award:** Jul-24

**Pump Station Notice to Proceed:** Aug-24

		Federal Funding					Friant Water Authority				
Calendar Year	Fiscal Year	Canal Construction	Pump Station Construction	Bureau Costs (2)	Less: FWA Payment to Bureau	Federal Share	Payments to Bureau	Pump Station Payments	FWA Costs	FWA Share	Federal %
1 2022 Q3 (1)	2022 Q4	72,390	-	34,785	(28,818)	78,357	28,818	-	15,340	44,158	64.0%
2 2022 Q4	2023 Q1	25,139	-	2,696	(12,682)	15,153	12,682	-	226	12,908	62.1%
3 2023 Q1	2023 Q2	18,284	-	2,695	(25,618)	(4,639)	25,618	-	1,276	26,894	51.4%
4 2023 Q2	2023 Q3	30,691	-	2,961	(8,000)	25,651	8,000	-	1,004	9,004	55.2%
5 2023 Q3	2023 Q4	22,533	-	2,842	-	25,375	-	-	1,881	1,881	59.6%
6 2023 Q4	2024 Q1	11,883	-	2,322	-	14,205	-	-	326	326	61.8%
7 2024 Q1	2024 Q2	6,042	-	2,458	(4,000)	4,499	4,000	-	162	4,162	61.5%
8 2024 Q2	2024 Q3	5,093	-	2,458	(4,000)	3,551	4,000	-	328	4,328	61.0%
9 2024 Q3	2024 Q4	3,514	-	2,407	-	5,921	-	33,200	526	33,726	55.0%
10 2024 Q4	2025 Q1	-	-	370	-	370	-	-	727	727	54.9%
11 2025 Q1	2025 Q2	-	-	260	-	260	-	-	559	559	54.9%
12 2025 Q2	2025 Q3	-	-	169	-	169	-	-	759	759	54.8%
13 2025 Q3	2025 Q4	-	-	115	(1,000)	(885)	1,000	-	883	1,883	54.3%
14 2025 Q4	2026 Q1	-	-	37	(1,000)	(963)	1,000	-	1,270	2,270	53.8%
15 2026 Q1	2026 Q2	-	-	37	(1,000)	(963)	1,000	-	1,298	2,298	53.2%
16 2026 Q2	2026 Q3	-	-	35	(1,000)	(965)	1,000	830	1,352	3,182	52.6%
17 2026 Q3	2026 Q4	-	-	35	(1,000)	(965)	1,000	1,245	1,406	3,651	51.8%
18 2026 Q4	2027 Q1	-	-	20	(1,000)	(980)	1,000	1,245	1,531	3,776	51.0%
19 2027 Q1	2027 Q2	-	-	-	(1,000)	(1,000)	1,000	1,245	1,531	3,776	50.3%
20 2027 Q2	2027 Q3	-	-	-	(286)	(286)	286	415	507	1,208	50.1%
21 2027 Q3	2027 Q4	-	-	-	-	-	-	-	229	229	50.0%
22 2027 Q4	2028 Q1	-	-	-	-	-	-	-	112	112	50.0%
23 2028 Q1	2028 Q2	-	-	-	-	-	-	-	48	48	50.0%
Total		195,569	-	56,700	(90,404)	161,865	90,404	38,180	33,281	161,865	

(1) This update assumes that (A) FWA would be the contracting entity for the replacement pump stations and

(B) FWA would defer the solicitation to no later than April 2024. By February 28, 2024, FWA will provide Reclamation assurances that it will issue the solicitation no later than April 2024. If such assurances cannot be provided due to a lack of available non-federal funding, Reclamation will proceed to follow Section IV.E.i.2.c. of the cost share agreement to identify funds to allow FWA to proceed with the solicitation.

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Begin Phase 1 Project

Avenue 136

LTRID

TPDWD

Porterville  
Municipal  
Airport

Avenue 128

Siphon 4

T

T

SID

Avenue 120

Avenue 112

Siphon 5

T

T

DCTRA

SID

Avenue 104

Deer Creek Check/Siphon

T

T

TBID

Siphon 6

Siphon 7

T

T

SID

Avenue 88

Siphon 8

Avenue 80

Siphon 9

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SID

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DEID

Siphon 10

Avenue 64

End Phase 1 Project

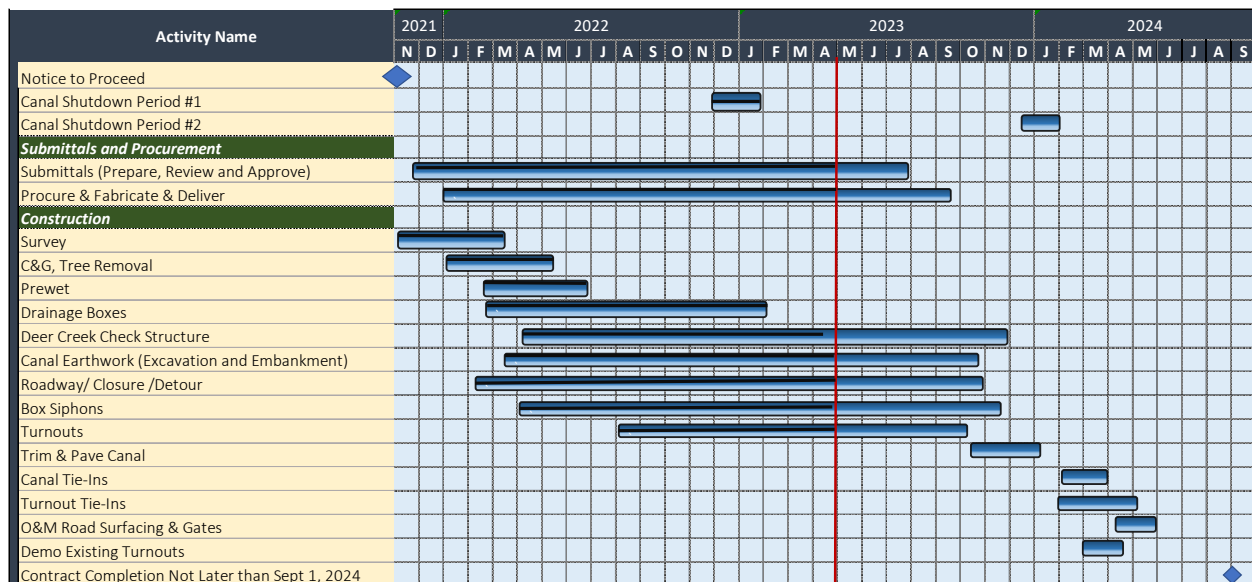
## FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION PROJECT PHASE 1

Construction Progress Report: April 2023

# Summary of Work Accomplished

- The Contractor has worked 486 calendar days as of April 20th.
- Turnout work continued, with work being conducted at Casa Blanca, Teapot Dome, DCTRA, SID-S2, SID-S4, TBID, and DEID-68 turnouts.
- Cleanup efforts continued this month from the severe storms that swept through the area last month. Work was done at Deer Creek site to reestablish the temporary diversion berms and start to install new temporary bypass piping.
- Canal embankment was placed between Avenue 128 and Avenue 112.
- At the Avenue 128 siphon, formwork, water stops, bulkheads and reinforcing bars were installed for slab sections, and concrete was poured in slab sections.
- At the Terra Bella Avenue siphon formwork, water stops, bulkheads and reinforcing bars were installed for slab and wall sections, and concrete was poured in slab sections.
- At the Avenue 112 siphon, cleanup continued from the falsework collapse.
- At the Road 192 siphon, work included installing reinforcing bars, formwork, and placing structural concrete in several deck and slab sections.
- Road closures for Terra Bella Avenue, Avenue 88 and 128, and Road 208 siphons are in effect, and a temporary shoofly continues to be in place at Road 192.

## Schedule Progress



Work completed through end of April (based on cost) is approximately 62.3 percent of the original contract amount, and the elapsed time represents approximately 52.9 percent of the total contract time.

## Construction Narrative

Cleanup efforts continued this month from the severe storms that swept through the area in March. At the Deer Creek area, the creek crossing was reestablished, and the temporary diversion berm was partially replaced. The 60-inch temporary diversion pipes arrived on site and installation was started.

Canal embankment was placed between Avenue 128 working towards Avenue 112 using City of Porterville borrow pit material. Canal embankment was placed between Road 192 and Avenue 64 using borrow material from the adjacent former Fletcher property. The embankment completion varies along the alignment, with the highest completion from Avenue 88 northwards.

At the Avenue 112 siphon, cleanup continued from the falsework collapse. At the Road 192 siphon, work included reinforcing bar placement, installing formwork, and placing structural concrete in several deck and wall sections. At the Terra Bella Avenue siphon foundation excavation was completed, and formwork, water stops, bulkheads and reinforcing bars were installed for slab and wall sections, and concrete was poured in slab sections. At the Avenue 128 siphon, formwork, water stops, bulkheads and reinforcing bars were installed for slab sections, and concrete was poured in slab sections. Foundation excavation continued for the Road 208 siphon. Limited work was done at Avenue 88 siphon to repair some unconsolidated concrete.

Turnout work continued, with work being conducted at Casa Blanca, Teapot Dome, DCTRA, SID-S2, SID-S3, SID-S4, TBID, and DEID-68 turnouts. Work included excavation, placing formwork, installing reinforcing bars and concrete placement for the structures, removing formwork, placing structural backfill, and installing turnout piping.

The canal trimming and paving equipment was assembled and placed within the newly excavated canal prism north of Deer Creek. Efforts are underway to inspect the equipment and make any needed repairs so that it will be ready to commence trimming and paving work later this year.

## Environmental

Biological construction monitoring continued and there are now several nesting bird buffers in place. To-date, no evidence has been found to indicate the presence of kit fox or burrowing owls within the work area.

## Change Orders

There was one change order this month for a credit in the amount of \$64,184. Work for several previously authorized change orders came in under the amount authorized, resulting in this credit.



# Construction Progress Photographs<sup>1</sup>



Avenue 88 Siphon



Road 208 Siphon Excavation

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<sup>1</sup> Photographs courtesy of Reclamation



Avenue 128 Siphon - Invert Slab Placement



Canal Trimming and Lining Equipment Being Setup Adjacent to TBID Borrow Area





Deer Creek Check/Siphon Cleanup and 60-inch Bypass Pipe Install in Progress



Terra Bella Turnout and Avenue 95 Siphon Concrete Slab Placement in Progress



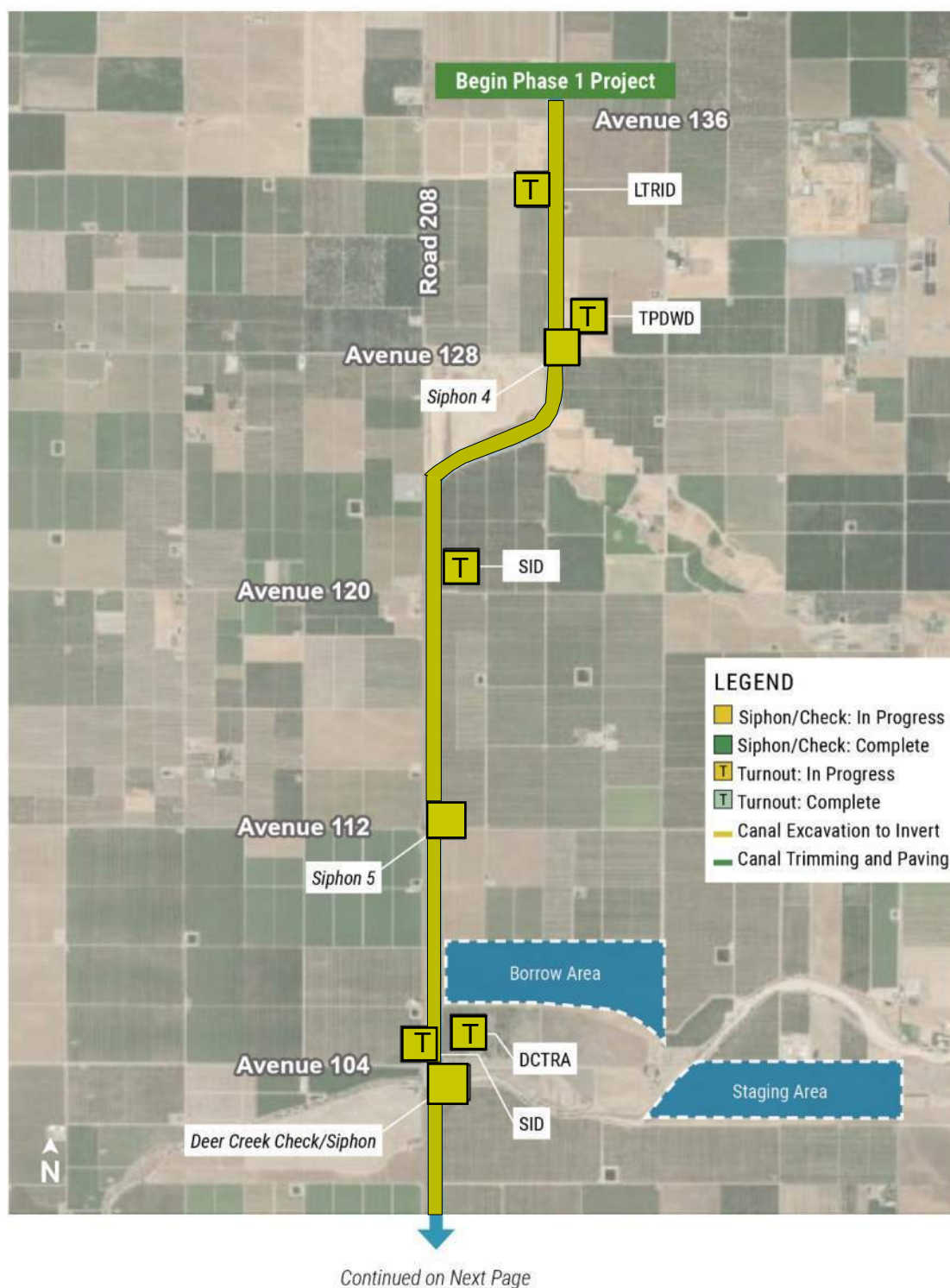
Road 192 Siphon - South Transition Wall Complete



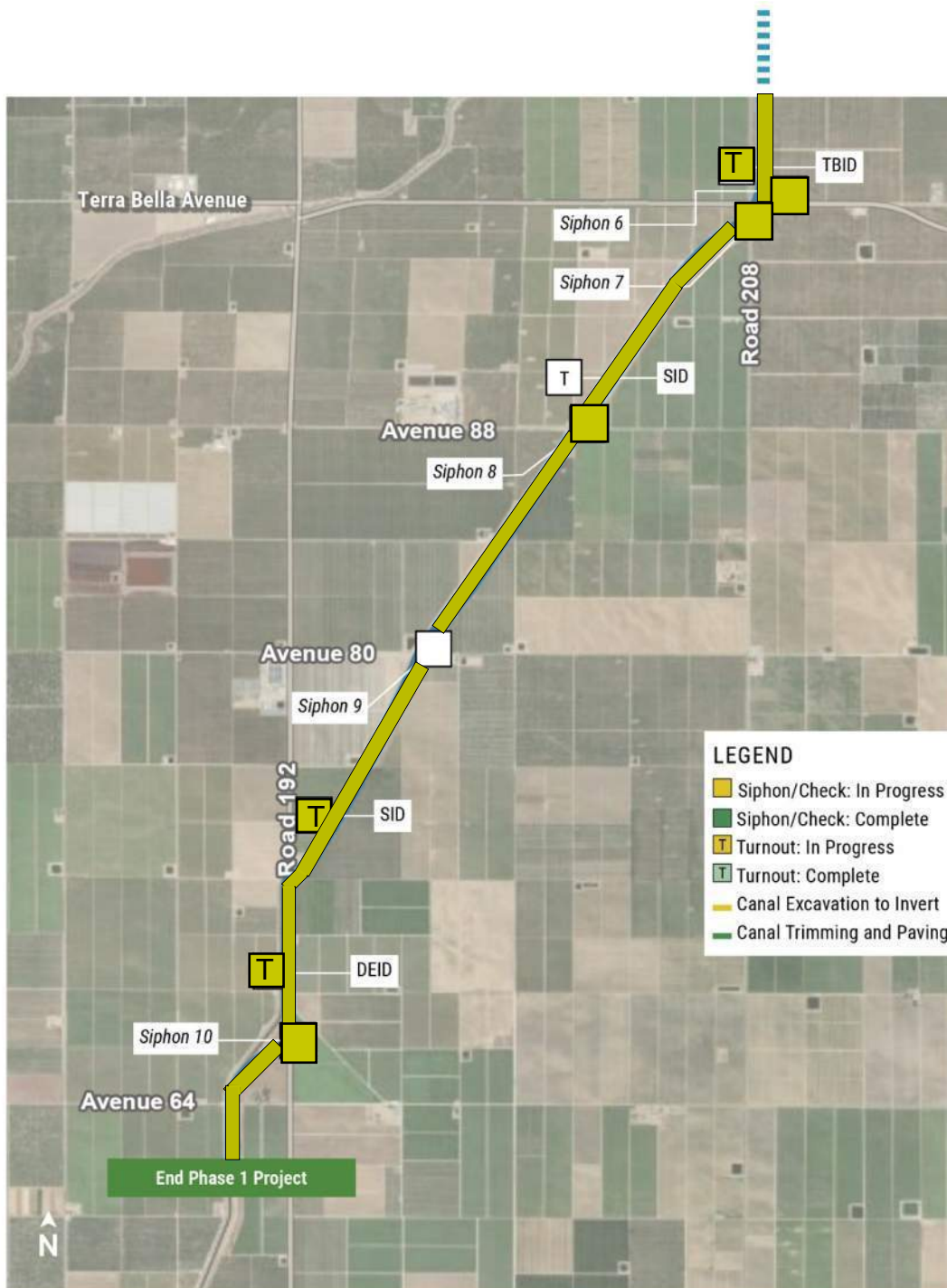
Canal Embankment Construction south of Avenue 128



# Progress Map



## Progress Map continued



# Financial Summary

## Monthly Financial Status Report - Budget to Actual Spending Expenditures through April 30, 2023

Sources of Funds	Federal Funding		FWA Spending Plan Funds	Friant Water Authority Funding						
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs	FWA Contractors	Eastern Tule GSA	Pixley GSA	State Funding-DWR	Misc. Revenue	Delano GSA	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 118,645,000	\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 59,584,000	\$ -	\$ 1,200,000	
Funds Secured/Received to date	\$ 41,900,000	\$ 208,100,000	\$ 67,118,000	\$ 49,894,401	\$ 11,272,245	\$ 11,000,000	\$ 37,350,000	\$ 472,944	In progress	\$ 109,989,590
Expenditures to date	(39,822,725)	(110,046,889)	\$ (34,782,422)	(36,328,064)	(11,151,099)	(11,000,000)	(25,936,200)	(472,944)	-	(84,888,308)
Remaining Funding Available	\$ 2,077,275	\$ 98,053,111	\$ 32,335,578	\$ 13,566,336	\$ 121,146	\$ -	\$ 11,413,800	\$ -	In progress	\$ 25,101,282

Project Cost Category	Budget Estimate (2023)			Prior Period Expenditures (Cumulative)		April 30, 2023 Expenditures		Total Expenditures through April 30, 2023		Remaining Budget	
	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$ 23,081,048	\$ 3,525,733	\$ 26,606,782	\$ 23,081,048	\$ 3,525,733	\$ -	\$ -	\$ 23,081,048	\$ 3,525,733	\$ -	\$ 0
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ 7,014,569	\$ 12,470,988	\$ 7,704	\$ 834,889	\$ 7,022,273	\$ 13,305,877	\$ 1,265,835	\$ 707,583
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ 302,936	\$ 450,506	\$ 167	\$ 26,114	\$ 303,103	\$ 476,620	\$ 214,565	\$ 29,380
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ 760,882	\$ 101,908	\$ 500	\$ -	\$ 761,382	\$ 101,908	\$ 414,724	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ 943,758	\$ 306,206	\$ 33,358	\$ 39,281	\$ 977,116	\$ 345,487	\$ 1,383,186	\$ 1,642,013
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ 4,618,773	\$ -	\$ 419,895		\$ 5,038,668	\$ -	\$ 6,961,332	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ 1,722,410	\$ -	\$ 269	\$ -	\$ 1,722,679	\$ -	\$ 62,700	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ 6,956,817	\$ 14,682	\$ 605,859	\$ -	\$ 7,562,676	\$ 14,682	\$ 5,999,156	\$ (14,682)
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,262	\$ 8,629,262	\$ 17,258,525	\$ 186,422	\$ -			\$ 186,422	\$ -	\$ 8,442,840	\$ 8,629,262
Construction Contract - MRCCP Phase 1	\$ 69,421,946	\$ 111,659,695	\$ 181,081,641	\$ 103,214,242	\$ 67,118,000	\$ -	\$ -	\$ 103,214,242	\$ 67,118,000	\$ (33,792,296)	\$ 44,541,695
Construction Contract Contingency	\$ 5,428,349	\$ 5,428,349	\$ 10,856,698	\$ -	\$ -			\$ -	\$ -	\$ 5,428,349	\$ 5,428,349
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ 148,801,857	\$ 83,988,023	\$ 1,067,752	\$ 900,285	\$ 149,869,609	\$ 84,888,308	\$ (3,619,608)	\$ 61,361,692

% Cost-Share

50%

50%

64%

36%

Please Note:  
Actual cost-share percentages: 58% 42%  
The difference is due to timing of when the FWA Spending Plan Funds are being expended by BOR.

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Ian Buck-Macleod, Water Resources Manager

**SUBJECT:** Water Operations Update

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### SUMMARY:

April precipitation was generally well below average, with some initial snowmelt occurring in the latter part of the month. Cool temperatures and a few small storms at the beginning of May slowed snowmelt, but rising temperatures have resumed the “big melt”. Flood releases from Millerton continue, and will likely continue into July. On April 20<sup>th</sup>, Reclamation updated 2023 allocations with South-of-Delta agricultural water service contractor allocation increasing to 100%. Friant allocations of 100% Class 1 allocations and 70% Class 2 remained the same.

### DISCUSSION:

#### Inflow Forecasts

April precipitation was generally well below-average across the State, the first below average month for many areas since October, and it is trending that way for May. Snowmelt runoff began in mid-April, slowed at the beginning of May, but has resumed over the past 10 days. Current CNRFC seasonal projections indicate that natural inflow into Millerton is expected to peak at around 27,000 cfs on May 29<sup>th</sup>. Precipitation in the Upper San Joaquin watershed is approximately 200% of average, with snow-water equivalent (SWE) over 300% of average. Elsewhere, statewide precipitation currently ranges from 125% to less than 200% of average to date, while statewide SWE currently ranges from 270% to over 450% of average to date. Long-range forecast models suggest limited chances for precipitation over the next few weeks, other than some chances of afternoon thunderstorms in the Sierra. Temperatures are mostly expected to be near normal throughout most of the State over the next 10 days, with slightly above average temperatures in the northern third of the State.

Table 1 shows the unimpaired inflow forecasts for Shasta Lake and Millerton Lake from the California Nevada River Forecast Center (CNRFC) and California Department of Water Resources (DWR). The current CNRFC Millerton 50% forecast would result in a water year inflow that is 255% of average and about 70 TAF below the historical record. The CNRFC Shasta 50% forecast would result in a water year inflow that is 101% of average.



**Table 1. Unimpaired Inflow Forecasts for WY 2023**

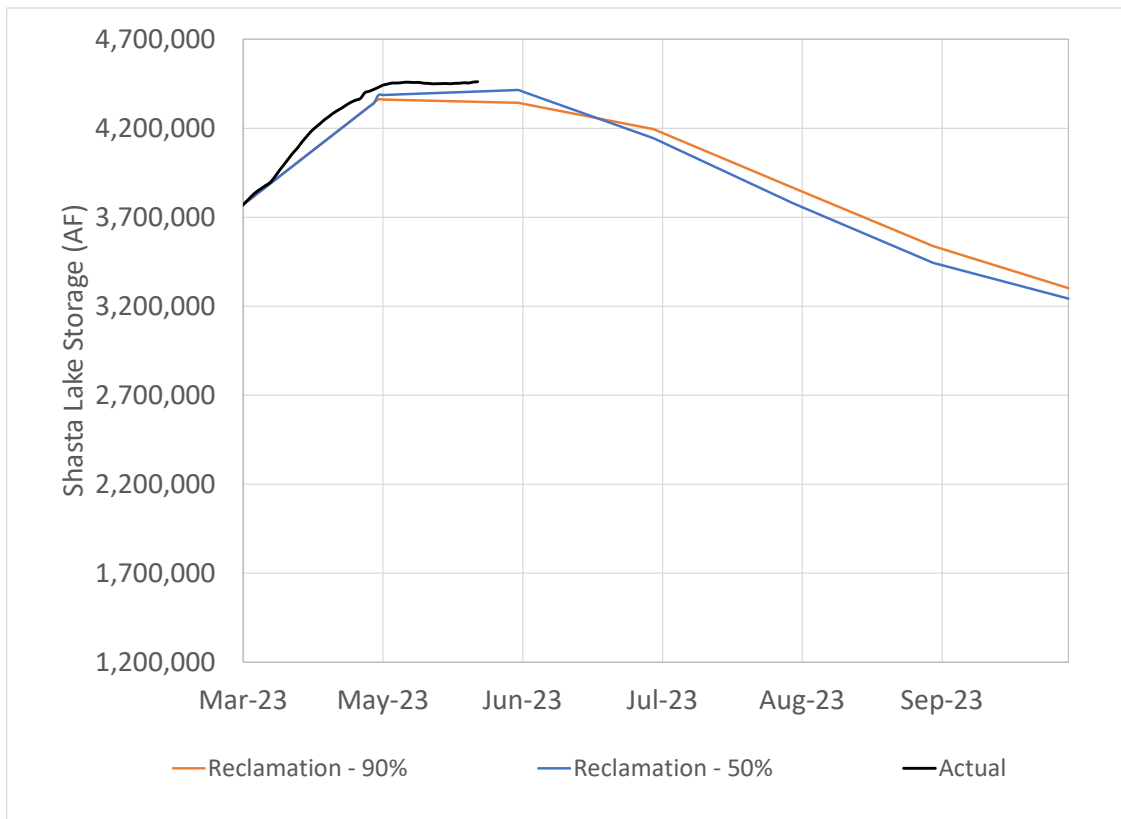
Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) <sup>1</sup>	5,640	5,680	5,780
DWR Shasta Unimpaired Inflow (TAF) <sup>2</sup>	5,610	5,885	6,205
CNRFC Millerton Unimpaired Inflow (TAF) <sup>1</sup>	4,450	4,570	4,660
DWR Millerton Unimpaired Inflow (TAF) <sup>2</sup>	4,460	4,660	4,885
SCCAO Blended Unimpaired Inflow (TAF) <sup>3</sup>	4,494	4,664	4,861

Notes:

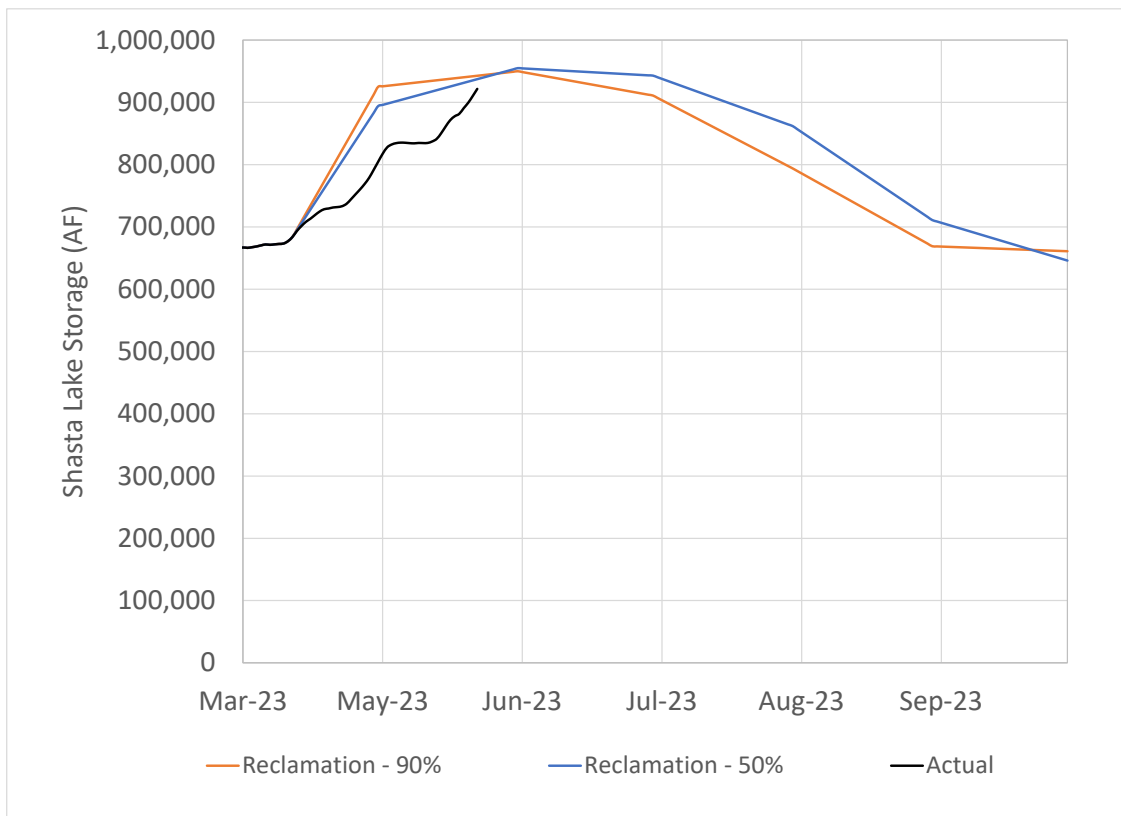
<sup>1</sup> As of May 22.<sup>2</sup> As of May 16.<sup>3</sup> As of May 19..**North-of-Delta Operations**

Overall Central Valley Project (CVP) North-of-Delta (NOD) reservoirs are managing snowmelt runoff, with storage levels based on the 15-year average at Trinity, Shasta, and Folsom at 70%, 125%, and 116% of average, respectively. Combined CVP storage is currently over 4.5 MAF higher than this time last year (currently 114% of the 15-year average). Flood control releases have occurred at Folsom and Oroville, with elevated releases continuing to help manage reservoir fill. Increased releases from Shasta began at the end of April are likely to continue for the next few weeks to help manage reservoir fill. The May 1<sup>st</sup> Bulletin 120 confirms that this year is not a Shasta Critical year. CVP Ag service and State Water Project (SWP) Table A allocations were both increased to 100% in late-April.

Reclamation prepared forecasted operations at the 90% and 50% exceedance levels in late April based on April 1 inflow forecasts. Figures 1 and 2 show the projected Shasta Lake and Folsom Lake storage through September based off these projections, as compared to actuals to date. Shasta storage is currently trending slightly above the April Reclamation forecasts in response to the above average runoff and near normal May temperatures. With the recent increase in runoff, Folsom storage is trending towards the April forecast. Folsom and Shasta storage will be managed to control fill and peak storage anticipated this month and best regulate available water supply over the next few months.



**Figure 1. Shasta Lake Storage – April Reclamation Projections**

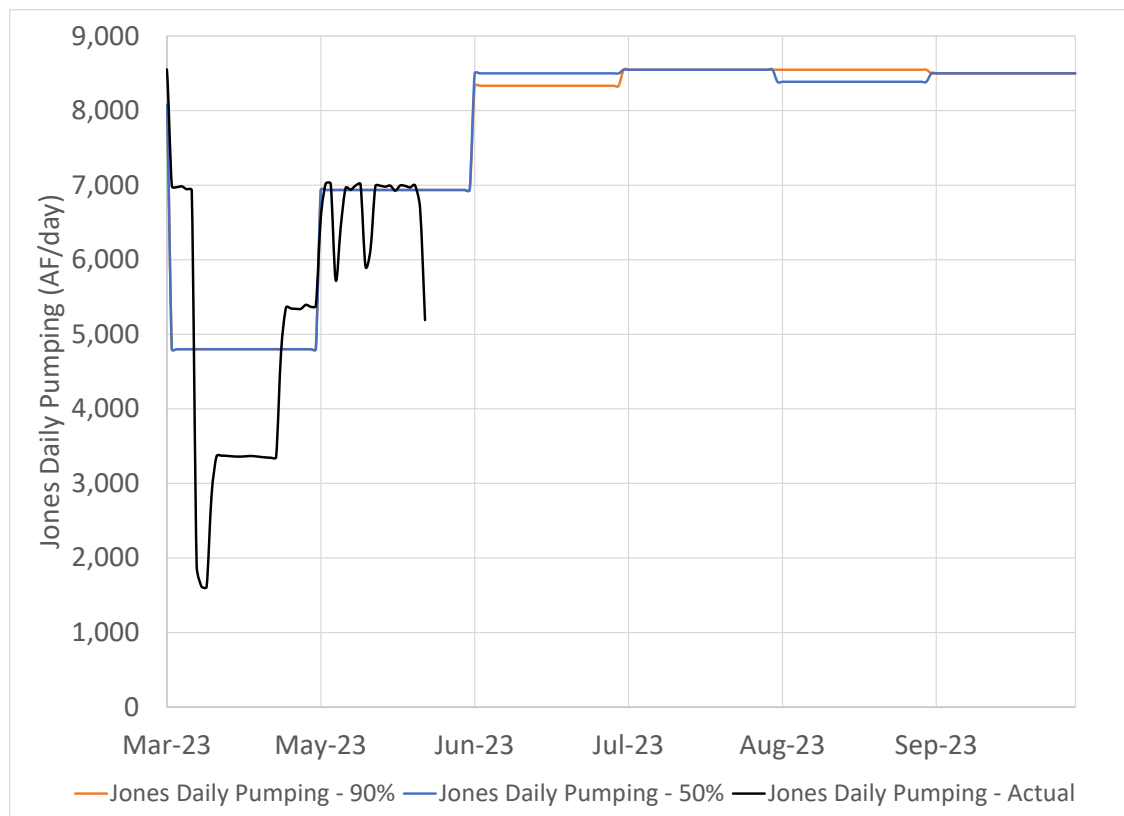


**Figure 2. Folsom Lake Storage – April Reclamation Projections**

## South-of-Delta Operations

### Delta Operations

Exports have been steadily increasing since early-April as demands have begun to increase. Exports were cut in early-April as CVP side of San Luis Reservoir (CVP San Luis) filled and exports were only occurring to meet real-time demands. Exports are unlikely to be limited by any regulatory requirements as flows on the San Joaquin River at Vernalis and Delta outflow are likely to remain high for the foreseeable future. Figure 3 shows the projected daily Jones pumping through September as compared to actuals to date. After a brief decrease in exports due to maintenance this week, exports are expected to increase to a full, five-unit operation. Reclamation currently anticipates exports being at or near full capacity through September and potentially longer.

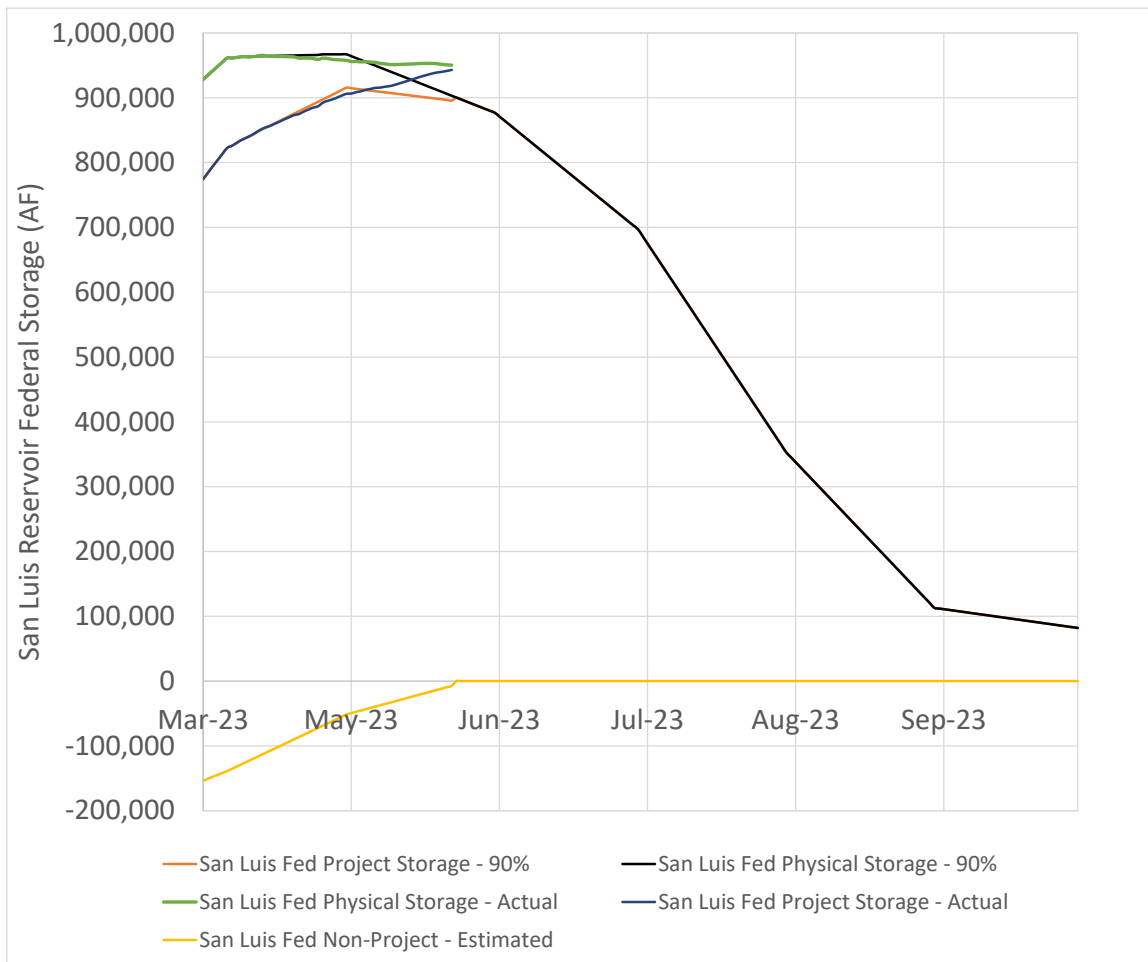


**Figure 3. Daily Jones Pumping – April Reclamation Projections**

### San Luis Operations

CVP San Luis storage is at 950 TAF—160% of its 15-year average and essentially full. As CVP San Luis has filled, rescheduled and non-Project water that was present in the reservoir has been “spilling” as foregone pumping has occurred. Reclamation estimates that at least 80 TAF of foregone pumping occurred in April and another 50-60 TAF is likely to occur in May. As such, all or most of the rescheduled and non-Project water is expected to spill. Figure 4 shows the Reclamation projection for San Luis Federal storage through September, showing all rescheduled and non-Project water spilling due to foregone pumping in the near future. CVP San Luis storage is currently trending above the forecast and is likely to remain at capacity

through May. Reclamation currently anticipates low point to occur at some point during the September through October period.



**Figure 4. San Luis Federal Storage – April Reclamation Projections**

## Friant Division

### *Millerton and Friant Allocation*

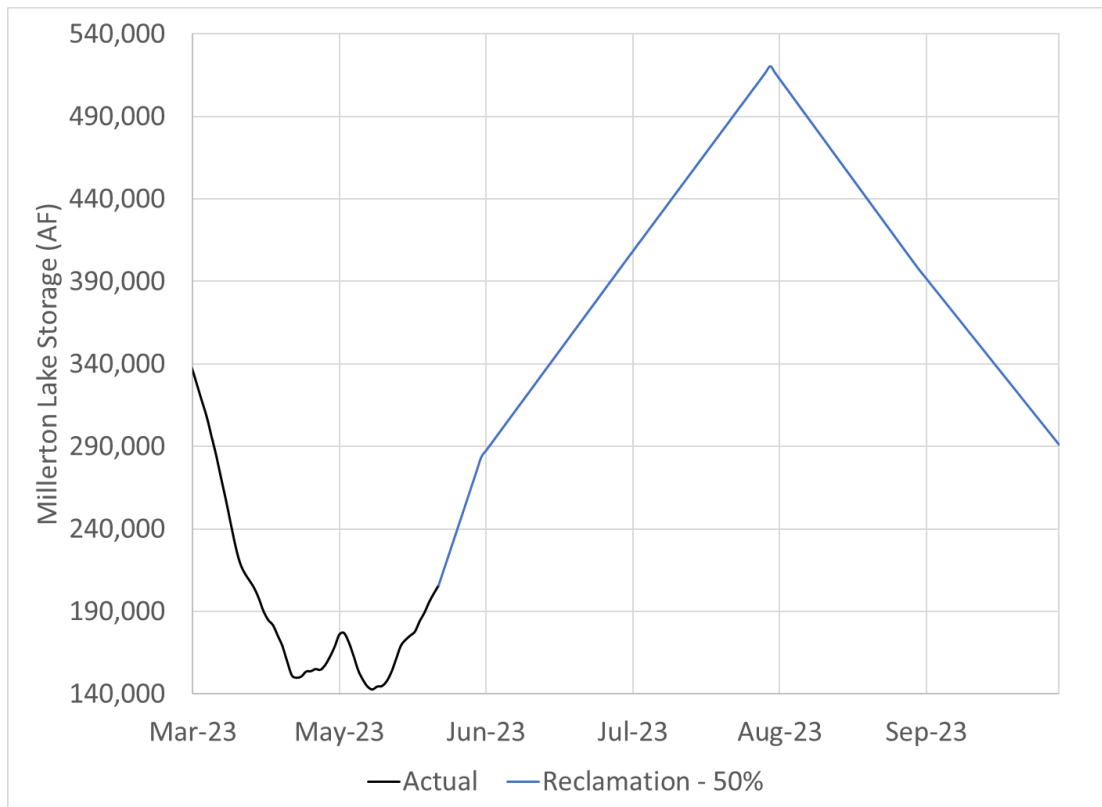
On March 7<sup>th</sup>, Reclamation increased the Friant Class 2 allocation from 20% to 70%, and subsequently, on March 9<sup>th</sup> announced Uncontrolled Season with availability of Section 215 supplies, and March 11<sup>th</sup> announced the availability of RWA water. Friant Dam river releases temporarily decreased in the first week of the month, down to 772 cfs, low point and inflow prorate concerns, but have since increased back to approximately 10,000 cfs to accommodate snowmelt and inflow to the reservoir. Any 2022 Carryover Class 1 will need to be evacuated before end of uncontrolled season, which is forecasted to last into July.

On February 7<sup>th</sup>, Reclamation made 157 TAF (net at turnout) of 2023/24 Unreleased Restoration Flows (URF) available to Class 2 contractors at a rate of \$23/AF. On March 23<sup>rd</sup>, Reclamation made another 77 TAF (net) of URFs available. Both blocks of URFs must be taken by May 28<sup>th</sup>. On May 5<sup>th</sup>, made another block of 91 TAF of URFs available and will need to be used before the end of uncontrolled season with is



anticipated for some time in July. It is anticipated a final block of less than 30 TAF of URFs will be made available this summer.

Reclamation's recent May 12<sup>th</sup> 50% forecast shows Millerton will only momentarily be near deadpool in early May and then increase to just below the spillway by end of July to maximize water supply. This forecast indicates that Class 2 allocation will need to reduce by more than 260 TAF (~20%) in order to avoid deadpool concerns in the fall assuming historical lower quartile (75%) inflows. Uncontrolled season continues to be forecasted to last into July with over 2.0 MAF of flood releases since February. Releases from Friant Dam were reduced in the first week of May due to low point concerns, but have increased back to approximately 10,000 cfs and will remaining at similar levels through June.



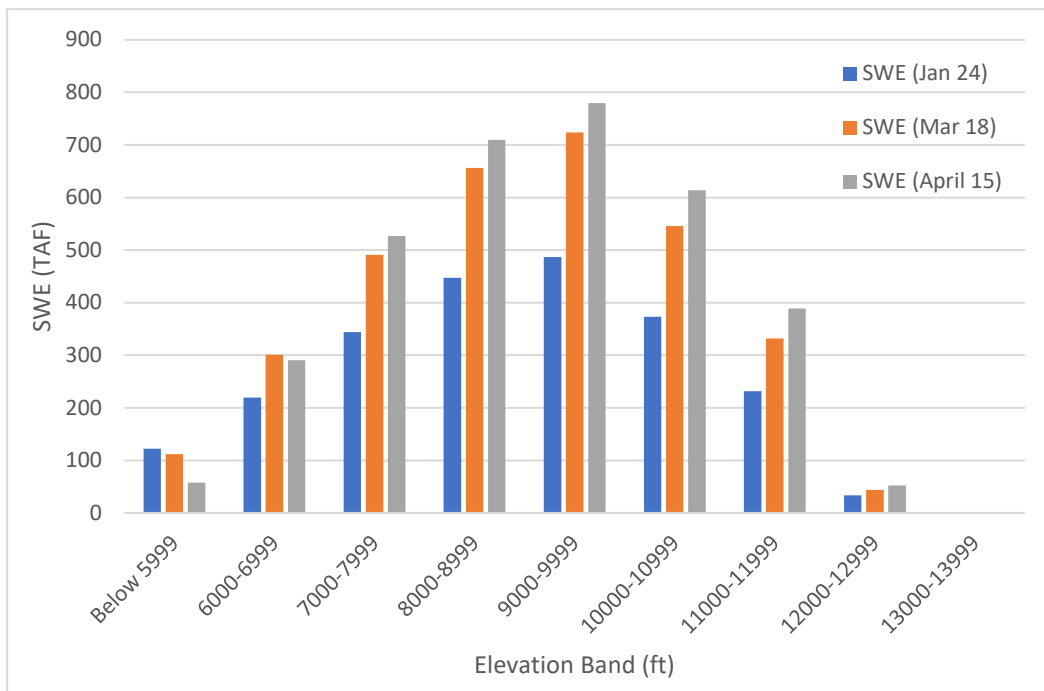
**Figure 5. Millerton Storage – May Internal Projections**

#### *Airborne Snow Observatory*

The fourth ASO flight of the year for the upper San Joaquin River Basin occurred this Wednesday, May 23<sup>rd</sup>. Consensus snowpack as measured as snow-water equivalent (SWE) was estimated to be 2,510 TAF on May 18<sup>th</sup>, over 900 TAF decrease since the April 14<sup>th</sup> flight. Figure 6 compares the results of the last three flights, and we should have results of the most recent flight next week. Based on estimated runoff ratio, this equates to over 2,170 TAF of remaining in runoff for April through September under the driest scenario. The last flight of the season is scheduled for late-June.

FWA in partnership with Kings River Water Association and Merced Irrigation District submitted a request for grant funding under Reclamation's Snow Water Supply Forecasting Program on May 12. This Program

intends to award individual applicants between \$300-999k (total 12 to 20 awards) over a 36-month period (FY 2024-2026) to fund projects and snow forecasting technologies that support improved snowpack monitoring networks and corresponding watershed and reservoir management. Our request totaled \$985k with just over a third going towards the upper San Joaquin River Basin. Obtaining this grant funding would continue to support supply forecasting in the San Joaquin River basin and benefit the Friant Division by potentially providing additional end-of-season flights, on-ground validation and instrumentation to provide additional data and understanding of snow densities and runoff efficiencies, and/or support the development of intermediate range snow forecasting tools. Building a comprehensive dataset related to snow supply is important in extremely wet years like this year considering the magnitude of spring runoff and the ongoing existing risks of flood, as well as in dry and critical years when snow is scarce and efficient management of the resource is essential.



**Figure 6. ASO Estimated Snow Water Equivalent by Elevation Band**

#### *San Joaquin River Restoration Allocation*

On May 18<sup>th</sup>, Reclamation issued the final 2023 Restoration Allocation, which showed no change from the previous 556,542 AF Wet Year allocation (as measured at Gravelly Ford). On May 5<sup>th</sup>, the RA had indicated that there would be no changes to the March 21<sup>st</sup> recommendation (which had been approved by Reclamation on March 23<sup>rd</sup>). The March 21<sup>st</sup> schedule included the following: 1) provides maximum flow to the river (limited by seepage constraints) through May 28<sup>th</sup>; 2) then utilizes Riparian Recruitment flows to maintain a connected river (targeting at least 50 cfs at EBM through July 29<sup>th</sup>); 3) then utilizes URF exchange water to maintain a connected river through September; and 4) then generally returns to Exhibit B flows for the remainder of the 2023 Restoration Year. The Recommendation anticipates the release of 186.567 TAF of Restoration Flows and 10.167 TAF of URF Exchanges to the river, leaving approximately 380 TAF as URFs.

*San Joaquin River Restoration Recapture*

A total of 4,980 AF was recaptured by Banta-Carbona ID and Patterson ID in March, and 816 TAF in April. Reclamation has indicated that there can be no recapture of Restoration Flows when the Delta is in Excess Conditions, which is currently the case and is expected to continue for the foreseeable future. Currently, districts are attempting to deliver/transfer as much of this previously recaptured water before San Luis Reservoir begins to drawdown (end of May) and this water 'spills'. Regardless, districts will still be required to compensate for conveyance costs of recapture water through the lower San Joaquin districts and to San Luis.

On March 8th, the State Board approved a temporary urgency petition by Reclamation to allow the diversion of Friant Division flood flows for various water supply purposes to take advantage of the wet conditions. The order also confirms Reclamation's authority and obligation to operate concurrently for Restoration and Flood Management, which allows them to preserve and redivert flood flows as Recaptured Restoration Flows.

## Agenda Report

No. 5.C.

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Johnny Amaral, Chief Operations Officer and Mike Villines, Villines Group, LLC

**SUBJECT:** External Affairs Update

---

**SUMMARY:** Update on State and Federal affairs and communications activities.

**RECOMMENDED ACTION:** None; informational only.

**SUGGESTED MOTION:** None; informational only.

### DISCUSSION:

#### State Affairs

There has been usual activity in May already and there is a lot to still happen as we get closer to the June 15 Budget deadline.

#### Legislative Issues

The most direct threats to Friant are the package of bills from Assemblymembers Bauer-Kahan (AB 460), Wicks (AB 1337) and Senator Allen (389). All three of these bills have passed out of committees and are on their respective floor for votes in the next week or two. Collectively these bills have been marketed as “common sense” solutions to illegal diversions, but they go much further than that and they engage in turning established private water law into a debate on “public good” and who has a greater right to that water.

- AB 460 (Bauer-Kahan) will grant more power to the State Water Resources Control Board to penalize people who take more than their share of allotted water.
- AB 1337 (Wicks) will give the State Water Resources Control Board more authority over the most senior water rights, from before 1914.
- SB 389 (Allen) will allow the State Water Resources Control Board to better/easier investigate water claims.

On a positive note, Senator Caballero’s SB 366 has passed committees and is now on the floor (Friant has a support letter). SB 366 is attempting to amend the California Water Plan to become a comprehensive plan for addressing the state’s water needs and meeting water supply targets established by the bill that include planning for a target of 10 million acre feet by 2040 and 15 million acre feet by 2050.

## **May Revise**

Governor Gavin Newsom released his “May Revision” budget on May 12th. This is a revision to the budget he released in January and is intended to be the fiscal blueprint for California from July 1 of this year to June 30th 2024. The release of the May Revise is meant to account for changes in personal income tax receipts. While these are typically due on April 15th, residents in nearly all California counties were given an extension to file until October 15th. One thing that seems clear, the deficit will be no lower than \$31 Billion and could be as high as \$41 Billion by October if the economic trends that exist today continue.

## **Budget facts**

- The top one percent of California income earners (roughly 100,000 households) pay over 50 percent of the income tax the state receives.
- The Governor made it clear that this shortfall would be addressed without raising taxes and without tapping the statewide reserve funds.
- The budget will be balanced through funding delays, spending reductions, fund shifts and some minor borrowing.
- As noted above, the May Revision proposes shifting some General Fund expenditures to a forthcoming climate bond. As these may impact Friant, these are listed below:

- Water Recycling—\$270 million
- Salton Sea Restoration—\$169 million
- Community Resilience Centers—\$160 million
- Transformative Climate Communities—\$100 million
- Regional Resilience Program—\$100 million
- Urban Greening—\$100 million
- Statewide Parks Program—\$86.6 million
- Sustainable Groundwater Management Act Implementation—\$60 million
- Dam Safety and Flood Management—\$50 million
- Multi-Benefit Land Repurposing—\$20 million

Some of the above funding shifts have been offset by \$290 million of new one-time General Fund spending proposed in the May Revise. These include, \$125 million for flood contingency due to increased snowpack, \$25 million for disaster response emergency operations, \$75 million to support local flood control projects including those on the Pajaro River, and \$25 million in the drought relief grant program for agricultural businesses. The May Revise also restores \$40 million of one-time General Fund revenue to fund the San Joaquin Floodplain Restoration, including habitat restoration projects in the San Joaquin and Tulare Basins.

## **The Governor’s Recent Infrastructure Announcement**

There was a lot of media attention on the Governor’s recent “Infrastructure Streamlining” press announcement. Surrounded by a solar project in Patterson, the Governor said he wants to build, build,

build. We should probably wait, wait, wait to see what happens. Here are some messaging points from the event that the Governor stated/highlighted:

- “This is about addressing the issue of our time”
- “We are a state that commits to do more and better on inclusion”
- “Introducing 11 trailer bills and an executive order”
- “Recognizes the urgency of the moment we are living in”
- “We need to deliver on what we promise”
- “We are fed up” and not seeing results/lack of trust in institutions. “Why is this taking so long?”
- It takes 10 years to organize a procurement framework
- “We need to deliver on results and build”
- “We have \$180 billion through SB 1 and other programs to create largest infrastructure investments”
- Wants to prove we can do more with taxpayer money
- “Not looking to roll over communities and environmental champions”
- California Forward laid out a vision he wants to follow
- Trailer Bill Language: Progressive Design Build, Local Contracting, Judicial Review, Permitting Reform, Green Financing address Bureaucratic malaise
- “289,000 page documents on a water project. It is ridiculous we accept this.”
- Wants to get Broadband infrastructure down to 6 months instead of 33
- “Passed 20 CEQA reform bills”
- “I love sports. But I also love clean energy and roads. It’s not just about stadiums. Why not translate this to all other projects?”
- “We are reorganizing government” toward results and transparency

### **Federal Affairs**

The House is in session this week, while the Senate is out until May 30th. The full House Appropriations Committee will hold several markups for Fiscal Year 2024 spending bills. Congressional negotiators hope to strike a deal with President Joe Biden before June 1, which, according to Treasury Secretary Janet Yellen, is still the earliest date that the U.S. could potentially default. One or both chambers may return during the Memorial Day weekend if progress is made.

President Biden and Speaker of the House Kevin McCarthy (R-Calif.) will meet today at 5:30pm EST to discuss progress on the budget deal. Leaders from both sides have hand-picked proxies to move the negotiation process along. Parties limited the room of negotiators to Reps. Garret Graves (R-La.) and Patrick McHenry (R-N.C.) for Republicans and Office of Management and Budget Director Shalanda Young and Steve Ricchetti, Counselor to the President, for the Democrats. The sticking points remain the same for the \$31.4 trillion debt limit issue; overall budget caps for future fiscal years, permitting reform for energy projects, the rescission of unspent Covid-19 relief funding, and work requirements for social programs. Today, Speaker McCarthy said a deal must occur this week to leave enough time to avoid a default, while calling the early morning discussions today productive.

The House Appropriations Committee will hold four markups of FY 2024 spending bills including Military Construction-Veterans’ Affairs; Legislative Branch; Homeland Security; and Agriculture-Rural Development-

Food and Drug Administration. Following the markups, the House will vote on the first four of twelve appropriations bills, likely by mid-June. Of note, Democrats and Republicans have yet to agree on top line spending numbers for FY24 and many expect Democrats to slow the process through amendments opposing numerous spending cuts.

The House will vote on a Senate-passed Congressional Review Act (CRA) disapproval resolution (S.J. Res. 11) nullifying a January 2023 EPA rule that established new emission standards for heavy-duty engines and vehicles; a CRA disapproval resolution (H.J. Res. 45) nullifying the Education Department's student debt relief plan; and the Halt All Lethal Trafficking (HALT) Fentanyl Act (H.R. 467), which permanently classifies fentanyl-related substances as Schedule I drugs under the Controlled Substances Act. The House may also vote on whether to override President Biden's veto of a CRA disapproval resolution (H.J. Res. 39) passed by Congress several weeks ago, which would repeal a two-year suspension of tariffs on solar panels from Southeast Asia.

### **McCarthy's PR strategy on debt ceiling gets results**

BY EMILY BROOKS - 05/22/23 6:00 AM ET

Speaker Kevin McCarthy (R-Calif.) is seizing the moment in debt ceiling negotiations, staying out front in public messaging as he pushes the White House to change its debt limit posture while also keeping the right flank in his conference satisfied — for now.

Negotiators have yet to reach a deal, political dynamics could easily change depending on its final form and a bumpy weekend in the talks pose another challenge for him. But McCarthy's public relations strategy on the debt limit has seen results so far.

McCarthy united his far-flung conference to pass a bill that paired a debt limit increase with spending cuts and other GOP priorities. Shortly after, President Biden backed away from his no-negotiations stance and invited McCarthy and other congressional leaders to meet — though the White House has continued to frame the talks as a negotiation on the budget separate from the debt limit.

And after McCarthy expressed pessimism about how those talks were going, the structure of discussions was narrowed to be between just his deputies and the White House, cutting out congressional Democrats and Senate Republicans.

Senate Minority Leader Mitch McConnell (R-Ky.), who some previously thought might have to step in to negotiate a compromise, has thrown his full support behind the Speaker to negotiate a deal.

The Speaker is holding frequent press conferences, gaggles, and TV interviews to advocate for spending cuts and policy reforms as a condition of raising the debt limit, a contrast to the press-shy President Biden. Rep. Andy Harris (R-Md.) said he was "pretty impressed with his [Wednesday] press conference" that featured Republicans from both chambers.

A source familiar with McCarthy's strategy said that his decision to be in front of the media shows his confidence in his policy asks and that the public will back him up in those.

“Here’s a Republican conference that none of you gave credibility to or thought we could achieve anything,” McCarthy said Tuesday.

With the talks amping up this week, the White House has appeared to back away from its longtime stance that it wants a “clean increase” without any other conditions, though it has still framed the negotiations in terms of the budget rather than the debt limit.

“He has the bully pulpit of the Speakership,” Rep. Jared Huffman (D-Calif.) said of McCarthy’s messaging in contrast to the Democrats. “We always struggle to get our message amplified.”

Public opinion surveys have shown that Democratic attacks on Republicans for holding the economy “hostage” are struggling to sway the electorate in their favor.

A May 17-18 Harvard/Harris poll found that 57 percent of voters think Democrats should cave their position to prevent a default, up from 55 percent in April, while 43 percent said Republicans should cave.

Meanwhile, Economist/YouGov polls have found that McCarthy’s net job approval rating has dramatically improved in the months since January, when a 15-ballot saga ended with him being elected Speaker.

A May 13-16 survey found that 42 percent of adults approved of the way McCarthy was handling his job as Speaker, while 34 percent disapproved while 24 percent were not sure. In a January 21-24 survey, just 32 percent approved, while 37 percent disapproved and 32 percent were not sure.

And some Democratic messaging on the negotiations has conflicted.

House Minority Leader Hakeem Jeffries (D-N.Y.) said Monday that the GOP’s request for beefed-up work requirements for public assistance programs was a “nonstarter.” But later in the week, Biden signaled willingness to compromise on work requirements, though rejected any kind of significant change.

Rep. Pramila Jayapal (D-Wash.), chairwoman of the Congressional Progressive Caucus, said that she was being “watchful” of the White House in the negotiations now that congressional Democrats have been cut out of the room.

“The President’s done such a phenomenal job of leading the country over the last two years and keeping Democrats united behind core Democratic values, and I would urge them to continue to do so,” Jayapal said.

Some progressive Democrats have continued to hold out hope for a “clean” debt limit increase.

“I want to believe that the White House is holding firm to its commitments and our values,” Huffman said.

Several Democrats suggest Biden could test a 14th Amendment strategy to raise the debt limit unilaterally without the help of Congress. While Biden said over the weekend that he thinks he has the authority to do so, he warned there may not be enough time to invoke that authority, have it litigated, and still avoid a default.

House Democrats have also filed a escape-hatch discharge petition plan to force a vote on a clean debt ceiling increase — though that would need support from at least five Republicans, who have shown no willingness to help.



McCarthy is not out of the woods yet, though.

It remains unclear whether he will be able to secure a compromise that appeases the right flank of his conference — some of whom expect nothing less than the sweeping policy reforms and cuts that they passed in their April debt limit bill. And others are trying to throw more policy proposals, such as beefed-up border security measures, into the mix.

Political observers note that it takes just one GOP member to call a motion to vacate the chair and force a vote on ousting the Speaker.

Hardline conservatives, however, insist such an upheaval is not being considered right now, signaling that McCarthy still has their support as negotiations continue.

“I haven’t heard anybody talking about motion to vacate except for reporters who asked me about that,” said Rep. Bob Good (R-Va.), one of the 20 hardline conservatives who withheld support from McCarthy during the Speaker’s election.

However, the conservative House Freedom Caucus on Thursday threw another wrinkle in the mix when it called for “no further discussion” on the debt ceiling, pressuring the Senate to pass the House GOP bill. That position became cloudy, though, when the group’s chairman, Rep. Scott Perry (R-Pa.), later said the position did not mean McCarthy and the White House should not talk at all.

And Friday, McCarthy hit pause on debt limit talks for much of the day as his top negotiator, Rep. Garret Graves (R-La.), said the White House was being “unreasonable.” The talks resumed that evening but made little progress before McCarthy is set to meet with Biden on Monday.

That threw another wild card into the mix: Former President Trump.

“REPUBLICANS SHOULD NOT MAKE A DEAL ON THE DEBT CEILING UNLESS THEY GET EVERYTHING THEY WANT (Including the “kitchen sink”),” Trump wrote on Truth Social on Friday.

McCarthy had been careful to not contradict Trump earlier in the week when asked to respond to the former president downplaying the potential economic consequences of a default.

“I think President Trump is a great negotiator. And I think that President Trump when does that, he’s trying to help the negotiation,” McCarthy said.

# Farm Water Update

AT THE CROSSROADS OF WATER & GROWING FOOD



MAY 2023

## Water Rights Protect All Californians - Farms, Communities, Businesses, and the Environment

### Water Rights Protect the Interests of All Californians

A reliable supply of water is the foundation of California's economy, essential to our quality of life, and integral to the future of jobs, manufacturing, farms, and housing.

The right to use water is determined by state laws and regulations. California operates under a dual system that recognizes both riparian rights (property owners adjacent to rivers and streams) and appropriative rights (first in time, first in use). Allocations are determined according to those rights, which means some users get access to water sooner because they have older rights (also known as pre-1914 water rights) or were awarded more senior rights under area of origin laws.

Water rights holders rely on the predictability of water for planning, infrastructure investment, and serving farms, cities, and the environment.

Public agencies hold about 80% of the surface water rights in California and are responsible for delivering that water to Californians as well as generating clean renewable electricity and protecting water quality, fisheries, and other beneficial uses of water.

In wet years, like 2023, most water users can use the water they need and there is plenty of water remaining in the natural environment to protect water quality and fisheries. It is in dry years that all water users rely on our water rights system to help them plan and make investment decisions.

### Importance of California Agriculture to Our State and Nation

According to the Water Education Foundation, California has been the nation's leading agricultural and dairy state for the past 50 years and the state's farms generated a record \$51.1 billion in sales value in 2021, accounting for 12.5 percent of the US total. Breaking down the state's agricultural role in the country, California produces about 19 percent of the nation's milk supply, 23 percent of its cheese and 99 percent of all grapes. The state also produces half of all domestically grown fruits, nuts, and vegetables.



*Processing tomato harvest near Helm, in the San Joaquin Valley. California grows 90 percent of the U.S.-produced processing tomatoes, supplying manufacturers of pizza and spaghetti sauce, salsa, soups, and many other processed foods.*

A 2020 report by two UC Berkeley professors describes the results of an economic analysis of water supply restrictions affecting growers in the San Joaquin Valley. It indicates that over the next 30 years, water supply cuts will lead to the permanent loss of 1 million acres of productive farmland. Fewer healthy foods will be available from California farms. The report estimates that California will permanently lose:

- 86,000 acres of vegetables
- 130,000 acres of fruit-producing trees
- 129,000 acres of wine and table grapes
- 327,000 acres of nuts

These reductions translate into the permanent loss of 85,000 jobs, half of which are off the farm, such as food processing, transportation, wholesale, retail, and ports. They also mean the permanent loss of over \$535 million in tax revenue which, again, is used to provide the services local communities value, like police, firefighters, and teachers.

## Population Growth and Current Allocation of Water Supply

From 1900 to 1950, California's population rose from under 2 million to 10 million and reached 34 million by 2000. Although the rate of population growth has slowed recently, California experienced increasing demand for water during a time when very little additional supply of water was added, in large part because development of major water resources infrastructure ceased almost entirely in the 1960s.

Today, roughly 40% of all California water flows through the Sacramento-San Joaquin River Delta, where it remains or flows to the ocean. About 17% is allocated to Central Valley farmers and residents of the Bay Area and Southern California. California's total developed water supply is divided, with about 50% going to environmental projects and programs, 40% to agriculture, and 10% to cities statewide. (PPIC)

## Can the Existing Water Rights System Balance Competing Uses?

In California, a water right holder does not own the water. Under Section 102 of the California Water Code, those who hold water rights have the right to beneficially use water, but the state is said to "own" the water.

When there is not enough water to satisfy all water rights holders, riparian rights are senior, and in times of shortage are satisfied before any water can be taken by the oldest appropriative right.

The State Water Board has existing authority to ensure water users are complying with the various water rights laws.

**First**, the State Water Board has broad administrative enforcement mechanisms under Water Code Sections 1052 and 1831 to address unauthorized diversion. The State Water Board can refer an action for injunctive relief to the Attorney General for unauthorized diversions. The Board has authority under Water Code Sections 1052 and 1825 to investigate the legality of water use, to determine whether a diversion is authorized, and to issue cease and desist orders and fines when warranted.

**Second**, Water Code Section 1058.5 grants the State Water Board authority to adopt emergency regulations in drought years to implement the water rights priority system and to prevent unauthorized diversion of water.

**Third**, all water rights holders who divert water, under any basis of right, are required to measure the water they divert and report that information to the State Water Board, and the State Water Board may issue fines for diverters who fail to timely file such reports.

**Fourth**, Water Code Section 1051 authorizes the State Water Board to investigate stream systems, and other code sections authorize the State Water Board to determine all rights to water of a stream system.



*The Tuolumne River provides habitat for spawning salmon and reliable water supplies for senior water rights holders in agricultural and urban areas across Central California.*

Environmental, environmental justice, and fishery organizations believe the water rights system should be reformed to adapt to the effects of climate change—that more water should remain in rivers and streams for environmental purposes, including to benefit threatened and endangered fisheries. They support granting the State Water Board broad new powers to reduce diversions in all water years rather than only in times of drought.



Water rights holders believe broad new authority for the State Water Board would dramatically reduce the value of a water right, including its volumetric reliability, and would make it impossible for water rights holders to serve Californians.

## Infrastructure Investment Supplies Water for all Beneficial Uses

To function, our water system relies on an intricate system of canals, pipes, levees, water treatment plants, and more. That critical infrastructure is built and maintained by water agencies and their customers. If we take away water supply reliability through unexpected curtailments, regardless of the water year type, we also make it more challenging to repair existing infrastructure and build more to meet growing demand. This uncertainty erodes the ability to predict future water sales, which is the revenue stream needed to pay for the projects. And because our water delivery system is more than 50 years old, and the demands of climate change require additional infrastructure, investment is critical right now.

Lack of infrastructure impacts the environment as well. The partnerships between water agencies and local farmers that have been responsible for science-based fish habitat restoration, building fish ladders and weirs, providing spawning habitat for salmon and other improvements that protect and enhance the ecosystem provides just one example. Without a reliable water supply, these investments are less likely.

## California Has a Critical Shortage of Affordable Housing

Every eight years, the state sets a target for the number of homes needed for each income level to meet the housing needs of all Californians. California must plan for more than 2.5 million homes over the next eight-year cycle, and no less than one million of those homes must meet the needs of lower-income households. This represents more than double the housing planned for in the last eight-year cycle.

Building all types of housing requires being able to identify a water supply not just for today, but 20 years into the future. Section 66473.7 of the Government Code requires a proposed residential development of more than 500 dwelling units to have a demonstrated



*California's critical housing shortage could be further complicated by increasingly uncertain access to water supplies*

"sufficient water supply" before approval by a city or county. A sufficient water supply means the total water supplies available during normal, single-dry, and multiple-dry years within a 20-year projection must meet the projected demand. Stripping away the reliability of water supply threatens the state's ability to meet the essential housing need it has identified.

## Protecting Water Supply Reliability is Essential for All Californians

Whether it is communities providing water to their residents, farmers who make planting decisions to stock our grocery stores, water for the environment, business, and industrial uses, and even meeting our clean energy goals – all water users need to know how much water they can rely on. And it is important to remember that no matter who holds the water rights, both the California Constitution and the California Water Code protect all uses deemed beneficial by the state, require those uses be balanced, and protect against water being wasted.

Our existing water supplies cannot satisfy all demands during drought. The Legislature can amend existing law to provide for swifter and more effective action by the State Water Board in such times. Incremental changes in the authority granted to the State Water Board can achieve meaningful changes in behavior without fundamentally altering the water rights system. The illegal use of water can be met with more significant financial penalties that will serve as a deterrent to bad behavior.

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**Valley Ag Water Coalition | [Bob Reeb bobr@water-warrior.com](mailto:Bob_Reeb_bobr@water-warrior.com)**

*The mission of the Valley Ag Water Coalition is to represent the collective interests of its San Joaquin Valley member agricultural water companies and agencies in California legislative and regulatory matters by providing leadership and advocacy on issues relating to the development and delivery of a reliable farm water supply.*

**California Farm Water Coalition | [Mike Wade mwade@farmwater.org](mailto:Mike_Wade_mwade@farmwater.org)**

*CFWC is a non-profit, educational organization that provides fact-based information on farm water issues to the public.*



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## MEMORANDUM

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**TO:** FRIANT WATER AUTHORITY BOARD OF DIRECTORS  
**FROM:** DAN KEPPEL, EXECUTIVE DIRECTOR  
**SUBJECT:** UPDATE REPORT  
**DATE:** MAY 22, 2023

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This memo is intended to keep you apprised as to what is happening on policy issues the Family Farm Alliance (Alliance) is engaged in. In the past month, much of our efforts have focused on advancing farm bill ideas with Western Congressional Members and committee staff, tracking Colorado River state negotiations and advancing our policy positions in the Colorado River Basin, and engaging in litigation and administrative matters. These issues and other matters important to our members are further discussed in this memo.

## BIDEN ADMINISTRATION

### 1. Appointments

The Senate Ag Committee last week approved Xochitl Torres Small, President Joe Biden's pick for Deputy Secretary at the U.S. Department of Agriculture (USDA), for a confirmation vote by the full Senate. She is the current Undersecretary for Rural Development at USDA and has bipartisan support for the #2 position at the Department. The floor vote will likely not occur until after Memorial Day, when the Senate returns to DC.

### 2. Executive Order on Environmental Justice

President Joe Biden last month issued an Executive Order (EO) on Revitalizing Our Nation's Commitment to Environmental Justice for All, which calls for advancing environmental justice across the federal government. According to the EO, "environmental justice" means "the just treatment and meaningful involvement of all people, regardless of income, race, color, national origin, Tribal affiliation, or disability, in agency decision-making and other Federal activities that

affect human health and the environment so that people: 1) are fully protected from disproportionate and adverse human health and environmental effects and hazards; and 2) have equitable access to a healthy, sustainable, and resilient environment in which to live, play, work, learn, grow, worship, and engage in cultural and subsistence practices”. Among other things, the order directs that National Environmental Policy Act (NEPA) reviews be carried out in a manner that analyzes the effects of federal actions on communities with environmental justice concerns. It also includes the creation of a new office of environmental justice within the White House Council on Environmental Quality (CEQ). House Republicans quickly hammered the proposal. CEQ intends to issue interim guidance by October 2023 that informs agency implementation of the EO, with final guidance due by October 2024.

### **3. Army Corps Announces New Dam Safety Financing Program**

On May 16, 2023, the Office of the Assistant Secretary of the Army for Civil Works and the U.S. Army Corps of Engineers (Corps) approved a final rule to implement a new credit assistance program for dam safety projects. The new program, named the Corps Water Infrastructure Financing Program (CWIFP), will offer credit assistance in the form of direct loans and loan guarantees for non-federal dam safety projects to maintain, upgrade and repair dams identified in the National Inventory of Dams. The program is designed to accelerate non-federal investments in water resources infrastructure by providing long-term, low-cost loans with flexible repayment options to creditworthy borrowers. According to the Corps, the program will provide approximately \$7.5 billion in total project financing and support up to \$15 billion of infrastructure investment nationwide.

The program is like the Environmental Protection Agency (EPA) WIFIA loan program, in that a non-federally owned and operated dam safety project can be financed up to 49% of the total cost with up to a 35-year repayment period at Treasury interest rates, resulting in a savings of 20% over traditional financing. The final rule will be posted in the Federal Register and will go into effect 30 days after it is posted. Upon going into effect, the Corps will post a notice of funding availability, which will formally open the program and provide interested borrowers with instructions on the application process. More information about the CWIFP can be found here: <https://www.usace.army.mil/CWIFP>.

### **4. EPA**

#### **a. CWA Protections for Tribal Water Quality**

EPA has announced [that it will propose](#) federal baseline water quality standards for bodies of water on Native American reservations that do not already have Clean Water Act (CWA) standards. That move would establish first-time protections for over 250 tribes, in a critical action not only for Indigenous communities but also for aquatic ecosystems. All 50 states and 47 tribes currently have established water quality standards in line with the CWA's goal that all bodies of water be fishable and swimmable, but most U.S. tribes have not had that level of protection. If the

proposal is finalized, proposed standards would be in place until a tribe adopts its own standards under the CWA.

b. Trump-Era Plan to Transfer CWA 404 Wetlands Permitting to Select States

EPA is moving forward with plans to clarify how states can take control of federally administered wetlands permitting under Section 404(g) of the CWA, but opponents worry the plan will empower deregulation advocates. EPA plans to advance a Trump-era rule revising CWA requirements around that dredge-and-fill permitting program, with the agency intending [to issue a proposal](#) by September. EPA has not said whether it would be making changes from the initial effort conducted by the Trump Administration.

EPA is currently having discussions with three states (Alaska, Nebraska and Minnesota) about the possibility of shifting primacy over the permitting program under existing rules. Three other states currently administer the 404 program – Michigan, New Jersey and Florida. CWA Section 404(g) allows for states to take over the process if they can prove to EPA that they have the capability to do so; they remain subject to the agency's oversight regardless. But for most of the country, the Corps retains 404 permitting authorities, but EPA can veto any permits. Environmental advocates are wary of the move, while deregulation groups support the effort.

## **DEVELOPMENTS IN CONGRESS**

### **5. President Biden, Speaker McCarthy to Meet on Stalled Debt Limit Negotiations**

President Biden and House Speaker Kevin McCarthy are set to kick off the week by meeting on the stalled negotiations to raise the Nation's debt ceiling. With only about a week before the June 1 "x-date" when Treasury believes it will run out of options to keep the country from defaulting on its obligations, the stakes could not be higher. Some of the partisan issues being wrangled in the negotiations include permitting reforms for energy projects, spending cuts in FY 2024 and beyond, Biden climate policies, and eliminating oil-related tax incentives, among others.

Both sides must find enough common ground that can attract enough votes in Congress to approve a deal, but both progressives and conservatives are concerned about what concessions could be included. Progressives are worried the White House has backed itself into a corner in the negotiations and will accept concessions that eliminate Democratic policy wins on climate and the environment gained in the last Congress. And conservatives say they will not agree to anything other than meaningful spending cuts (at least to FY 2022 levels) and regulatory reforms. To add to the controversy, President Biden recently told reporters he believed he had the power to raise the debt limit unilaterally by invoking the 14th Amendment of the Constitution, which says the U.S. debt "shall not be questioned," a route the U.S. has never undertaken that could set off a storm of constitutional litigation.

## **6. Senate ENR/EPW Leaders Release Competing Permitting Reform Plans**

Top Senate Republicans introduced legislation last week to overhaul the environmental review process for major energy infrastructure projects and spur energy development on federal lands. The bills from Environment and Public Works (EPW) ranking member Shelley Moore Capito (R-WV) and Energy and Natural Resources (ENR) ranking member John Barrasso (R-WYOMING) represent the latest proposals that could find compromise on ways to accelerate the permitting process. Both committees intend to hold more hearings on permitting reform.

Sen. Capito's bill, the "[RESTART Act](#)," would, among other things, undercut regulations related to the latest "waters of the U.S." (WOTUS) rule, the Biden Administration's use of the social cost of carbon metric, air pollution rules, and state consultations under the Endangered Species Act (ESA). Sen. Barrasso's bill, the "[SPUR Act](#)," would, among other things, mandate that the Biden Administration resume federal land lease sales for fossil fuel production, streamline the approval process for liquefied natural gas exports and take other measures to increase access to federal lands.

ENR Chairman Joe Manchin (D-WV) also reintroduced his own proposal, the "[Building American Energy Security Act of 2023](#)," which he said was the only permitting plan that has so far earned bipartisan support, even though it failed to garner enough votes to pass the Senate in the 117<sup>th</sup> Congress. But the GOP permitting bills would go much farther than the Manchin proposal and likely not garner any Democratic support.

The bills' introductions come as the 118<sup>th</sup> Congress continues informal talks on overhauling the nation's permitting laws. AS previously reported, the House passed a partisan bill, [H.R. 1](#), in March that included permitting reforms. While some hearings have been held in the Senate, there has been little momentum thus far to advance a serious negotiated agreement.

## **2. House Resource Committee GOP Leaders Request Snake River Dam Data**

The House Natural Resources Committee recently announced it is reviewing a recommendation from NOAA Fisheries to breach four dams on the Snake River, calling the agency's recommendations "untethered from scientific standards." In a [letter to NOAA](#), Committee GOP leadership criticized the September report endorsing removal of the dams as necessary to restore Columbia River Basin salmon and steelhead populations. The letter seeks documentation from NOAA about its report, including communications with the White House Council on Environmental Quality as well as nongovernmental groups. The Alliance last month sent a letter to USDA Secretary Vilsack, requesting that he intervene in the current Columbia Basin mediation process, since Pacific Northwest agricultural interests feel their concerns are being ignored.



### **3. Secretary Haaland Endures Grilling from House and Senate Committees**

Interior Secretary Deb Haaland faced aggressive questioning and criticism last month from Republicans on the House Natural Resources Committee and from both senior Democratic and Republican members of the Senate Energy and Natural Resources Committee at budget hearings last month. The issue of infrastructure permitting received a fair amount of airtime, with Senator Manchin (D-W.Va.), the Senate committee's chair, highlighting the issue in his opening line of questioning. Committee Ranking Member John Barrasso (R-WYOMING) grilled the Secretary over mineral extraction issues during the Q&A session after her testimony. House Republicans were also critical of Sec. Haaland's actions in a [sometimes contentious hearing](#) last month.

### **4. Restoring WIFIA Eligibility Act Introduced**

U.S. Representatives Jim Costa (D-CALIFORNIA) and John Curtis (R-UTAH) have introduced the Restoring WIFIA Eligibility Act, which would provide flexibility for San Joaquin Valley water users to meet water quality standards and improve water storage. The Water Infrastructure Finance and Innovation Act Amendments of 2023 would amend the Water Infrastructure Finance and Innovation Act of 2014, a program that accelerates investment in our nation's water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. The bill would clarify that federally owned infrastructure managed and operated by non-federal entities, such as the San Luis Delta-Mendota Water Authority and Friant Water Authority, are eligible for WIFIA financing. The Family Farm Alliance has supported similar legislation introduced in past Congresses.

### **5. House NR Subcommittee Hearing: CRA Resolutions Disapproving ESA Protections**

The House Natural Resource Water, Wildlife and Fisheries (WWF) Subcommittee last month held a hearing on a number of GOP-led Congressional Review Act (CRA) resolutions disapproving the Biden Administration's implementation of the ESA, along with a Democratic proposal to protect the North Atlantic right whale. One of the resolutions- [H.J. Res. 46](#) by Rep. Cliff Bentz (R-OREGON), would roll back a Biden Administration rule that ended a Trump Administration rule on designating critical habitat under the ESA. Family Farm Alliance General Counsel Norm Semanko testified at this hearing in support of this resolution. Critical habitat designations can carry with them significant economic and regulatory burdens that must be shouldered by agricultural water managers and rural communities, which our written testimony outlines. The House Committee on Natural Resources favorably reported H.J. Res. 46 and eight other bills out of committee late last month. One of those was H.R. 215, or the WATER Act, introduced by U.S. Rep. David Valadao (R-Calif.), which would provide solutions to long-term water storage issues in California.

Meanwhile, the 9th U.S. Circuit Court of Appeals has ruled against the Fish and Wildlife Service's (FWS) consideration of "unoccupied" habitat identified for a listed jaguar under the ESA. The 2-1 decision says the FWS erred in its designation of some critical habitat for the endangered jaguar,

reversing a trial judge who determined in 2020 the FWS correctly designated the critical habitat even though the jaguar doesn't reside there. At issue is Copper World's 5,431-acre Rosemont copper mine and waste disposal site that is trying to get permitted in Arizona. More than 30,000 jaguars are thought to still live in the wild, with about 600 of these found in northwestern Mexico. There have been no confirmed sightings of a female jaguar in the United States since 1963. The jaguar was listed as threatened under the ESA in 1972.

## **6. GOP Members Visit Fresno to Discuss Water Storage Challenges**

As previously reported, House Committee on Natural Resources Chairman Bruce Westerman (R-Ark.), WWF Subcommittee Chairman Bentz and U.S. Reps. David Valadao (R-CALIFORNIA) and John Duarte (R-CALIFORNIA) last month hosted Members for a field hearing and site visits to examine California's continued water storage issues and their impact on local communities. The Members toured Friant dam and a local dairy farm site that has been damaged from recent floods, and conducted a legislative field hearing on H.R. 215 "[WATER for California Act](#)" and H.R. 872 "[FISH Act](#)" at the World Ag Expo in Tulare. Five witnesses with ties to the Family Farm Alliance members -including your own Jason Phillips - testified at this hearing. We sent out an "Issue Alert" the day before the hearing that identified those witnesses and included links to their written testimony.

H.R. 872 (Calvert) streamlines and improves the federal regulatory process related to endangered fish protection. House Science, Space and Technology Committee Chairman Frank Lucas (R-OK) has drafted related legislation, the "*National Oceanic and Atmospheric Administration Act of 2023*" which would pull NOAA from the Department of Commerce and direct a study on whether NOAA's work on marine mammal protections and ESA-listed anadromous and catadromous fish species ought to be handled by the Interior Department instead. President Richard Nixon created NOAA under the Commerce Department by executive order in 1970. Since then, the agency has operated under patchwork more than 200 legislative authorities. During a House Science, Space and Technology Committee hearing last month, three former NOAA Administrators who all served during Republican Administrations, agreed that authorizing NOAA as a new executive branch agency and moving the agency out of the Department of Commerce would streamline and improve operations, bolster scientific integrity and facilitate crucial partnerships with private entities. The Alliance has long supported earlier versions of the FISH Act, and I previously testified on a related bill in the 116<sup>th</sup> Congress.

## **7. 2023 Farm Bill**

The Senate Agriculture Committee is ramping-up farm bill activity as policy ideas and support for those ideas are assessed. We've been working with our allies in agriculture and the conservation community to advance its platform, which focused primarily on the farm bill's conservation title. We're looking to fine-tune USDA conservation programs that deliver cross-sector benefits to farming, ranching, and conservation. These programs need to deliver measurable conservation outcomes in a simple way, without harming environmental interests or program integrity. The farm

bill is an omnibus, multiyear law that is typically renewed about every five years. With enactment of the omnibus spending bill in December 2022, lawmakers laid the groundwork for battles to come in the next farm bill. The current farm bill expires at the end of September.

a. Capitol Hill Politics

The House-passed [Limit, Save, Grow Act](#) (see above) would expand Farm Bill SNAP work requirements for able-bodied adults without dependents in exchange for raising the debt ceiling. It passed largely along party lines last month, in an effort by Speaker McCarthy to bring President Joe Biden and the Senate to the negotiating table. Senate Agriculture Committee Chair Debbie Stabenow has warned that political dealmaking over raising the federal debt limit could sink hopes for a stronger safety net in the 2023 farm bill. Senator Stabenow said she's especially worried because 240 members of Congress, mainly in the Republican-led House, have never worked on nor voted on a farm bill and may not realize the long-term impacts of cutting related programs to reach a debt-limit agreement. Funding for conservation programs hangs in the balance.

a. Senators Unveil CREP Improvement Act

Last month, Colorado U.S. Senator Michael Bennet (D-COLORADO), Chair of the Senate Agriculture Subcommittee on Conservation, Climate, Forestry, and Natural Resources, and U.S. Senator Roger Marshall (R-KANSAS), the subcommittee's Ranking Member, introduced the Conservation Reserve Enhancement Program (CREP) Improvement Act to provide the flexibility family farmers and ranchers need to conserve water on working lands, while fairly compensating them for retiring their water rights or limiting their water use. USDA's CREP program has provided farmers and ranchers with payments to voluntarily remove land from production in order to address specific conservation concerns. However, producers within the CREP program have sought more flexibility to achieve the program's goals. While the 2018 Farm Bill included a provision to allow dryland farming on retired irrigated acres in CREP, USDA still has not implemented this provision fully, and payments on dryland farmed acres are insufficient to encourage participation in key regions where water conservation is a top concern. The text of the bill is available [HERE](#). A summary is available [HERE](#).

c. Family Farm Alliance Engagement on 2023 Farm Bill

The Alliance began ramping up its own Farm Bill advocacy efforts last year, working with conservation partners, developing testimony for Congressional hearings, and working with its members to prioritize its energies in the farm bill debate. Earlier this year, we put together our Farm Bill wish lists for Congressional offices and committees. Once again, the Alliance will work closely on this with its partners in the Western Agriculture and Conservation Alliance -the "WACC" – on the conservation title. The WACC recently finalized its Farm Bill platform, which, among other things, puts priority on improving implementation of the Watershed and Flood Prevention Operations ("PL-566") and the Regional Conservation Partnership Program, encouraging active management for grazing, and seeking to provide better and faster conservation

program technical assistance and compliance. The Alliance has also been working with Western Growers and several Western state Farm Bureaus to push more ag-centric priorities, starting with Western Senators and Ag Committee Members. We'll also be working to set up meetings with staffers from the Congressional ag committees.

d. Water Source Protection Program (WSPP)

Earlier this month, the Alliance – along with a fairly select group of diverse, high-power organizations – signed on to a letter in support for the reauthorization and improvement of the WSPP in the next Farm Bill. Congress authorized the WSPP in the 2018 Farm Bill to provide the U.S. Forest Service with authority to partner with municipal, agricultural, and community-based organizations and other end users to develop and implement water source protection plans. The intent was to encourage public-private partnerships to invest in the restoration and protection of forested source water infrastructure – the mosaic of forests, wet meadows, and streams – that serves as the primary source of drinking and irrigation water supplies across much of the country. Restoration of forested source watersheds can reduce flood and wildfire intensity, increase natural water supply and storage as a hedge against drought, enhance fish and wildlife habitats, and improve water quality.

Senator Bennett (D-COLORADO) has a draft bill, Senator Crapo (R-IDAHO) is the likely cosponsor, and they plan to introduce in the next couple of weeks. In the House, Rep. Costa (D-CALIFORNIA) is the co-lead, with Rep. Chavez-Deremer (R-OREGON) the likely cosponsor; they will use the Bennett bill. It sounds like there is solid bipartisan support, though we need more folks from east of the Rockies, who our NGO friends are working on.

## DEVELOPMENTS IN THE JUDICIARY

### 8. Supreme Court Agrees to Hear Case that Could Overrule *Chevron* Doctrine

The Supreme Court has agreed to hear a case, over the objections of the Biden Administration, that could reverse or at least narrow the longstanding *Chevron* doctrine, which grants EPA and other federal regulatory agencies discretion to reasonably interpret ambiguous statutory language. The court on May 1 granted a petition for a *writ of certiorari* in *Loper Bright Enterprises, et al. v. Raimondo, et al.*, with Justice Ketanji Brown Jackson, recusing herself from the *cert* decision, likely because she was involved in the case while a sitting judge on the U.S. Court of Appeals for the District of Columbia Circuit. Fisherman and conservative groups are suing to determine if *Chevron* requires deference to the National Marine Fisheries Service's finding that, under the Magnuson-Stevens Act (MSA), it has statutory power to force domestic vessels to pay the salaries of the monitors they are required to carry.

The *Chevron* doctrine -- which stems from the late Supreme Court Justice Scalia's 1984 holding in *Chevron v. Natural Resources Defense Council* -- grants deference to an agency's interpretation of its statutory authority if the interpretation was deemed reasonable. When the law "is silent or

ambiguous with respect to the specific question” at issue, courts should defer to the agency's interpretation, as long as it is “based on a permissible construction of the statute,” the justices held in *Chevron*. The high court is expected to schedule arguments in the case during its fall term.

This is a big deal for many of our members, since biologists that work for these federal agencies are often termed “the experts” on Western fisheries matters and contribute – in my view – to the flow-centric, “more water equals more fish” water management philosophy employed by those agencies, to the detriment of our agricultural water users. Earlier this month, I discussed the SCOTUS case with a handful of Western water attorneys, and we’ll soon be huddling up to discuss the possibility of crafting a Western-focused amicus brief for this case.

## ALLIANCE INITIATIVES

### 9. CWA “Waters of the U.S.” (WOTUS)

The House of Representatives last month failed to override President Joe Biden's veto of a resolution under the CRA to undo a rule defining the CWA’s reach by defining WOTUS. House Republicans ultimately failed on a 227-196 vote to meet the two-thirds majority required to override a Presidential veto. Republicans did, however, get 10 Democrats to defy the President. They include House Agriculture ranking member David Scott and Rep. Sanford Bishop, ranking member of the Appropriations Subcommittee on Agriculture. Nine House Democrats and four Senate Democrats joined Republicans in voting for the CRA resolutions against EPA and Corps WOTUS rule, sending the measure to President Biden’s desk last month.

Now with that effort vetoed, WOTUS rule opponents are now looking to the courts for relief. Judges have already blocked the rule in 26 states. U.S. District Judge Daniel Hovland in North Dakota issued a preliminary injunction in a case two dozen Republican state attorneys general brought against the EPA and the Corps. “The Court finds that the 2023 Rule is neither understandable nor ‘intelligible’, and its boundaries are unlimited,” Judge Hovland noted in his ruling.

The Supreme Court’s pending decision in *Sackett v. EPA* could materially affect the Biden rule's scope. The Family Farm Alliance is one of 14 agricultural organizations who submitted a brief as “friends of the court” in support of the plaintiffs, an Idaho couple who brought suit against EPA during the Obama Administration. And most recently, the U.S. Court of Appeals for the Sixth Circuit is temporarily blocking enforcement of the Biden Administration’s WOTUS rule in Kentucky in order to provide a federal court in the Commonwealth time to consider state and industry motions for a preliminary injunction pending appeal, bringing to 27 the number of states where the Biden WOTUS rule has been stayed.

EPA and the Corps have filed an appeal with the 5th U.S. Circuit Court of Appeals of the U.S. District Court for the Southern District of Texas injunction staying in Texas and Idaho the Administration’s regulation. EPA and the Corps have not indicated whether the agencies plan to

appeal a separate injunction from the U.S. District Court for the District of North Dakota, which put the Biden WOTUS rule on hold in 24 states. Coupled with the injunction in Texas and Idaho and a separate court-ordered freeze in Kentucky, the WOTUS regulation is on hold in over half of the states.

## **10. Colorado River Initiative**

As you know, the Colorado River is in crisis. Rapid declines in reservoir storage now threaten many longstanding agreements and operational norms, triggering curtailments in water deliveries and prompting emergency interstate and federal/interstate negotiations. The Alliance board of directors in March 2022 formally adopted a policy brief that sets forth Colorado River principles developed in collaboration with several key agricultural interests. The Alliance policy brief urges Colorado River Compact decision-makers to incorporate 8 principles into new Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead operating guidelines. At the top of the list is a demand that Colorado River decision-makers recognize that Western irrigated agriculture is a strategic and irreplaceable national resource.

I spent most of last week in Arizona, where I spoke to the Yuma Fresh Vegetable Association industry briefing on Wednesday morning, and at the CLE Colorado River Law conference in Scottsdale, on Thursday morning. I also met with many of our members from the Colorado River basin in my travels. We heard some encouraging news regarding a potential short-term deal on the Colorado River. It appears that California, Arizona and Nevada have coalesced around a plan to voluntarily conserve a major portion of their river water in exchange for more than \$1 billion in federal funds. The hope is the Department of Interior will extend the May 30 comment deadline on the alternatives the federal government has laid out in that process in its Supplemental Environmental Impact Statement (SEIS). The Lower Basin states have resisted submitting formal comments, for fear that these comments could be used by the states to stake out legal positions on matters of water rights priority and federal authority that might push them further from a deal, as reported by the *Washington Post* last week.

Today, Arizona Governor Katie Hobbs, California Governor Gavin Newsom, and Nevada Governor Joe Lombardo announced that the Colorado River Lower Basin States have developed a plan to conserve 3 million acre-feet over the next three years to protect the Colorado River system. The Lower Basin Plan has been submitted to the Bureau of Reclamation (Reclamation) with all Seven Colorado River Basin States supporting its evaluation as an action alternative within the Draft SEIS. More information can be found [here](#). Some of our members have gotten word that Reclamation will announce a suspension of the SEIS process early this week.

### **b. Imperial Valley Ag Public Outreach**

Imperial Valley Water (IVH2O) and the California Farm Water Coalition last month ran an ad in *The Hill* in Washington, D.C, opposite the paper's editorial for the day. Here is [the link to the landing page](#) , which further explains their Colorado River solution based on urban funded on-

farm conservation and protecting Western food production. The Alliance was not involved with this effort, but we were asked by some of our members to share the ad with you. Also, Alliance Director Steve Benson, who farms in the Imperial Valley, authored this guest opinion that was published by *Agri-Pulse* last week: [“California’s Imperial Valley water conservation strategy key to saving the Colorado River”](#). Again, the Alliance was not involved with crafting this particular opinion.

c. Colorado River Speaking Engagements

In addition to my travels last week, Alliance President Pat O’Toole will also be on the Colorado River speaker circuit in the next month. Pat will be speaking at the 43<sup>rd</sup> Annual Conference on Natural Resources at the Getches-Wilkinson Center for Natural Resources, Energy and the Environment on June 9. Pat will participate in a panel titled, “How Can Agriculture Thrive with Less Water?”, and his fellow panelists are Meghan Scott (who works for Advisory Committee member Wade Noble’s law firm in Arizona), Mark Squillace (University of Colorado Law School) and Jim Holway (Babbitt Center for Land and Water Policy). The panel discussion will take place following opening remarks by former Interior Secretary Bruce Babbitt, who has vocally been critical of agricultural water use in recent months. For more information on this conference, visit the [event website](#). The May 2023 “Monthly Briefing” went out on May 1, which discusses the Colorado River and other issues we are involved with in further detail.

**11. Klamath Basin (CALIFORNIA / OREGON)**

Despite massive mountain snowpack over 180 percent of average, Klamath Project irrigators will be provided only a 60% initial allocation, Reclamation announced last month at the Klamath Water Users Association (KWUA) annual meeting in Klamath Falls (OREGON). Reclamation’s initial allocation for the irrigation supply from Upper Klamath Lake (UKL) and the Klamath River for farms and wildlife refuges within the Klamath Project is 215,000 acre-feet of water, which represents approximately 60 percent of the water needed this year for farms and wildlife refuges served by the Klamath Project. Reclamation last week boosted the annual water allocation for farmers and ranchers from Upper Klamath Lake by roughly 20%. The Klamath Project provides water to roughly 230,000 acres of farms and refuges in northern California and southern Oregon. Reclamation also committed \$9.85 million through the Klamath Project Drought Response Agency for contractors who receive a reduced water allocation.

I participated in a March meeting with Interior Secretary Deb Haaland, Senator Jeff Merkley (D-OREGON), staff from the Oregon Congressional delegation, and other high-level Biden Administration Interior officials here in Klamath Falls. The Secretary was on an Oregon visit, and infrastructure was the focus. Following a 45-minute meeting at KWUA, we visited the A Canal headgates and fish screen. Everyone had a few minutes to speak at the KWUA meeting, but the intent was to focus on the message of the producers, who have had their supplies severely restricted to meet ESA fishery needs in the last three years. I was also asked by two northern California counties and Klamath County, Oregon to participate in a 3-county board of



commissioners/supervisors meeting on Klamath Project challenges that took place earlier today.

## ADMINISTRATIVE AND MISCELLANEOUS

- The 2023 *Agri-Pulse* Food & Ag Issues Summit is set for June 5 in Sacramento (CALIFORNIA); this year's theme is "Navigating Uncharted Waters." Registration is [available here](#). Industry experts will discuss everything from groundwater recharge to biologicals, concerns about autonomous farm equipment, the farm economic outlook and the 2023 farm bill debates. The event will be held at the Sheraton Grand Sacramento and virtually. The 2023 draft agenda is now [available here](#).
- A few years back, I co-authored with Taylor Hawes (The Nature Conservancy) an opinion piece for a Colorado newspaper, expressing concern over the increased Wall Street speculation we were hearing about regarding Western water. Jim Lauria (Vice-President at Mazzei Injector Company in California) – who spoke at our February annual conference – wrote a similar piece that appeared as a blog last week. It's a pretty good read: [Water Trading vs. Water Speculation? What Would Michael Lewis Say?](#)

*This is a quick summary of just a few of the issues the Alliance has been engaged in. Please do not hesitate to contact me at [dan@familyfarmalliance.org](mailto:dan@familyfarmalliance.org) if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.*





# Operations & Maintenance Report

A compilation of current FWA operations and maintenance activities throughout the 152-mile canal system.

April 2023

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# OPERATION & MAINTENANCE REPORT

## SAFETY, EDUCATION & TRAINING

- Operations Department held tailgate safety meetings in the Lindsay yard, and outlying field office staff attended the Canal and Maintenance meeting.
- Friant staff received environmental training on endangered species completing the annual review.
- Delano, Lindsay, and Orange Cove Foremen held tailgate safety meetings discussing safety hazards and precautions associated with employees' work assignments.
- Employees received various safety training throughout the year, such as Weed and pest labels, new laws and regulations on pesticides and applications, and Working in Extreme temperatures. Anti-Harassment training, Defensive driving, and Industrial Hazard communications.

## ACCIDENTS & INJURIES

- Friant staff has worked 2379 days without a lost-time injury accident.
- Friant staff has worked 445 days without a liability accident.

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# MAINTENANCE SUPERVISION

## GENERAL SUPERINTENDENT REPORT

### SUBSIDENCE

- Staff worked with Stantec on the Water Quality monitor program.
- Staff continued working with the County of Tulare and Stantec for middle-reach plan reviews.
- Managed new construction projects being proposed for the upcoming middle reach outage.
- Staff attended MRRCP field meetings and weekly Teams meetings with USBR and JV contractors.
- Managed system leaks in the construction zone and met with Bureau and Contractor representatives on system tie-ins.
- Participated in Southern Contractor's water operations coordination meetings.
- Weekly staff meeting with COO, Operations Supervisor, and Division Maintenance Forman.
- Worked with Friant staff to formulate FY24 OM&R budget.

### PERSONNEL ITEMS

- Staff worked on several personnel items, including annual reviews, policy conformance, and other matters.
- General Superintendent conducted staff meetings with Division Forman and Operations Supervisor.

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# CONSTRUCTION & MAINTENANCE

## FOREMEN REPORTS: DELANO, LINDSAY, & ORANGE COVE MAINTENANCE

## WEED & PEST CONTROL

- The following is a summary of the chemical products used during the month by maintenance staff for weed and pest control on various canal sections and the product inventory on hand:

PRODUCTS	UNITS	MAINTENANCE YARD USAGE			TOTAL USAGE	END OF MONTH ON-HAND
		Delano	Lindsay	Orange Cove		
Cleartraxx	Gal	0	0	0	0	0
Copper Sulfate - Old Bridge	Lbs.	850	2,950	3,850	7,650	4,387
Copper Sulfate - Chem One	Lbs.	0	0	0	0	40,000
Argos Copper	Gal	0	0	0	0	0
Captain XTR	Gal	0	0	0	0	0
Deploy	Gal	0	0	0	0	0
Diphacinone	Lbs.	0	0	0	16	128
Diuron 4L - Loveland	Gal	0	0	0	0	0
Diuron 4L - Drexel	Gal	0	0	0	0	1,890
Dimension 2EW	Oz	0	0	0	10	0
Weather Guard Complete	Oz	0	0	0	0	67.00
Finale	Oz	0	0	0	0	0
Milestone VM	Oz	0	0	616	616	220
Roundup - Custom	Gal	4	183	48	62.50	1,020
Roundup - Pro Conc	Gal	140	285	223	648	1,506
Forfeit 280	Oz	0	0	0	0	0
Sonar Genesis	Gal	0	0	0	0	2.00
Cheetah	OZ	0	0	2,624	2,624	34,084
Liberate Lecitech	OZ	0	0	0	0	438

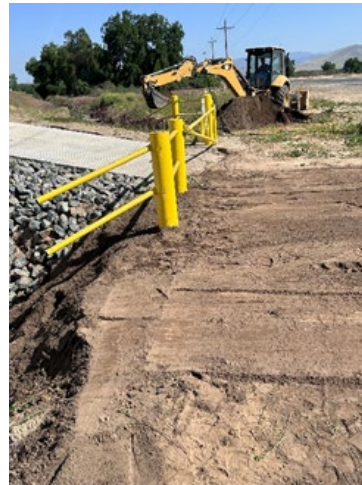
- Delano and Lindsay's maintenance staff continued the application of Roundup Custom as part of the annual weed control program along the canal right-of-way for post-emergence control of weeds.
- Orange Cove staff continued the application of Roundup Pro as part of the annual weed control.
- Delano maintenance staff continued the application of Roundup Pro Concentrate as part of the annual weed control program.
- Lindsay and Delano's maintenance staff began the annual application of Diuron as a preemergent for spring and summer weed control.
- Lindsay and Delano's maintenance staff continued with the application of Copper Sulfate in the Canal prism to control algae in the FKC.
- Orange Cove maintenance staff hand-cleared vegetation around canal structures.
- Orange Cove staff continued the application of Diphacinone to the canal right-of-way to control California ground squirrels.
- Lindsay maintenance staff began the application of Roundup PRO for post-emergence control of weeds along the FKC right of way.

## CANAL & DIVERSION STRUCTURES

- Lindsay maintenance staff due to heavy rainfall and severe flooding, all drains had to be cleared repeatedly due to trash and debris.



- Lindsay maintenance staff had to repair washouts due to heavy rainfall to avoid additional erosion and potential cavitation behind the liner.



*Lindsay staff had to repair washouts due to heavy rain to avoid additional erosion and panel failures.*

- Lindsay maintenance staff hauled and stockpiled dirt at multiple locations to continue massive washout repairs.
- Delano maintenance staff continues their structure gate maintenance for the year; Repairs Radial and Slide gates such as oil leaks, gearboxes, motor couplers, wire rope inspection, etc. Staff will Lubed all grease points and wire ropes, repair all metalwork, security fence repairs, deck cleaning, touch-up painting, Buoy ball and wire rope replacement, and debris removal.
- Orange Cove maintenance staff continued to clean silt and debris out of several cross-drainages that were filled after heavy rain.
- Orange Cove maintenance staff completed structure inspections and annual maintenance.
- Orange Cove staff continued road patching activities.



*Lindsay maintenance staff repaired the access ramp that was previously washed away by flooding.*

- Orange Cove staff began hauling materials off the embankment from the recent desilt project.
- Delano staff continues embankment maintenance to upper and lower Embankments and around structures such as blockhouses, turnouts, bridge abutments, utility tractors, motor graders, and earth-moving equipment. By backfilling eroded areas, compacting, and grading materials. Embankment maintenance will prevent erosion to the inside/outside banks, roads, gate structures, and concrete liners.
- Lindsay maintenance staff removed trash illegally dumped on several locations along FKC.
- Orange Cove staff continued bridge maintenance activities.
- Lindsay maintenance staff filled potholes at various locations along FKC.



*OC staff continued to clean silt and debris out of several cross drainages that were filled after heavy rain.*





*OC staff repaired embankment and its now ready for the riprap.*

## YARD & BUILDING

- Delano, Lindsay maintenance staff continued to perform routine maintenance and repairs, yard cleaning, vehicle/equipment repairs, facility improvements, and office duties.
- Delano and Lindsay's staff continue installing Bollard guard posts to prevent vehicles and heavy equipment from damaging FWA structures.



*Lindsay maintenance staff placed new concrete slab, built an elevated platform and assisted contractors in the installation of 2 new 3 ton units for cooling the Lindsay server room.*

## RIGHT-OF-MAINTENANCE

## WAY

- Delano, Lindsay, and Orange Cove maintenance staff continued the removal of illegally dumped trash and removed debris from gate structures to the local solid waste/recycling facility.
- Delano and Orange Cove maintenance staff continued to repair and install security fencing to prevent public access from entering the Friant-Kern Canal right-of-way and structured areas.
- Orange Cove staff completed inspections on all the bridges and documented them.
- Orange Cove staff continued to make repairs to roadways.
- Delano staff continue Painting, Bar gates, Bollard posts, guard railings, warning signs, Liner markers, structures, security fence wings, electrical panels, and block house doors.

The following is a summary of the vehicle and heavy equipment preventive maintenance services and repairs made by the technical services staff.

DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
<b>In-House Inspections</b>	B – Semi-annual	8
	C - Annual	7
	E - Equipment	0
	BIT - 90-Day Heavy Equipment	5
<b>Outside Inspections</b>	B – Semi-Annual	0
	C - Annual	0
	Smog Test	0
	Smoke Test	0
DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
<b>In-House Repairs</b>	Light Vehicles	17
	Trucks	10
	Heavy Equipment	9
	Utility Equipment	3
<b>Outside Repairs</b>	Light Vehicles	0
	Trucks	0
	Heavy Equipment	0

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# ENGINEERING ACTIVITIES

## ENGINEER AND ENGINEER TECHNICIAN REPORT

April

### RIGHT OF WAY

- Staff continue to work with USBR to ensure ROW boundaries are maintained.
- Staff continues to respond to developers and consultants to ensure the FKC and ROW are maintained.
- Staff reviewed and supplied comments on the 50% plan sets for two (2) proposed Turnouts in Tulare County for Homer LLC., one located at Mile Post 95.84 (Falconer Basin) and one located at Mile Post 96.41 (P3-West).

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# OPERATIONS ACTIVITIES

## OPERATIONS SUPERVISOR REPORTS

Operations Staff during the month of April delivered 90,083 acre-feet. Total water diverted year-to-date to FKC Contractors is 186,032 acre-feet.

Reported sump pump deliveries of 264 acre-feet and a year-to-date total of 376 acre-feet.

- Staff reported sump pump deliveries of 19acre-feet and year to date a total of 206 acre-feet.
- Staff completed and sent out the ROWD's for the month of March.
- Staff completed Doppler meter measurements at the measuring bridge and DCTRA.
- Staff replaced a transmitter at 1st Avenue.
- Staff assisted the electrician at Tipton, Enterprise, 1st Avenue, and Kaweah.
- Staff checked and calibrated 14 transmitters.

### ELECTRICAL

- Staff installed electrical panels and upgraded the electrical lines at the Enterprise Canal.
- Staff completed the wiring and setup for the fuel station in the Orange Cove yard.
- Staff installed communication lines and conduit at Stone Corral #1.
- Staff wired in the new AC units for the network room at Lindsay Yard.
- Staff replaced the timer for the wash station at Delano Yard.
- Staff trenched and installed conduit for 1st Avenue turnout communication lines.
- Staff installed conduit and electrical power lines for the Kaweah downstream blockhouse.

### SCADA

- Staff assisted Instrument Tech running new conduit and communication wire at Stone Corral 1 and 2. The old wire was corroded and so was the old conduit.
- Staff trenched and laid over 1200' of new conduit for electric and communication wire, at Kaweah Downstream 1st Ave, and OC 2. (Figure 1)
- Staff troubleshooting why Arvin Edison gate 3 is not closing.
- Staff worked with Epic IO Programmers, testing new programing for communications. This is for the communications upgrade.
- Staff met with Stantec and Tesco going over SCADA and what we want and need. Tesco is heading up the SCADA portion of the New Canal Project.



- Staff worked on dialing in the flow meter at the Measuring Bridge to read accurate flow measurements.
- Staff worked with MRC measuring stems for the new actuators.
- Staff continued to make improvements in Geo SCADA HMI.
- Staff assisted Instrument Tech with getting meters online and testing meters.
- Staff checked our equipment and the damage after the heavy rains and flooding in the area.



*Kaweah Downstream Trench for Blockhouse*

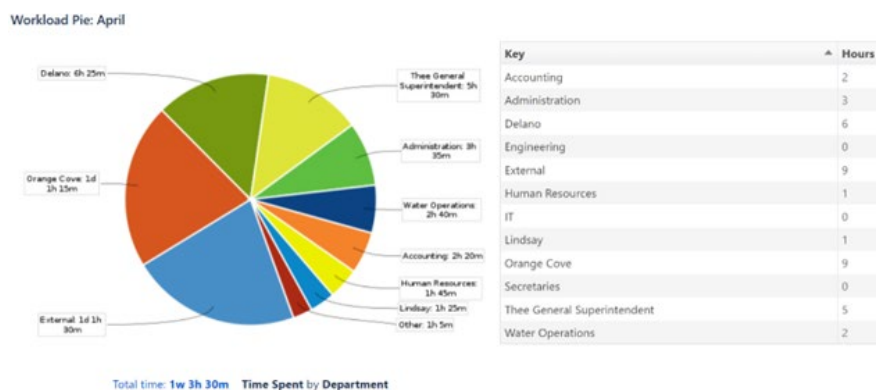
## INFORMATION TECHNOLOGY

- Staff worked with Intellisite/Epic IO to troubleshoot exporting video out of the new VMS portal for monitoring live camera feeds on the Friant-Kern-Canal.
- Staff collaborated with the Bakersfield Police Department for video footage recovery on the Friant-Kern-Canal for an ongoing investigation.
- Staff worked to ensure international calling, data, and texts would be available to both the CEO and Administrative Assistant during travel.
- Staff worked with Rego Consulting and Friant's accounting team in phase 1 of the development of the UI (User interface) for the Purchase Requisition process within Power Apps.
- Staff is working to limit/block phishing/spam attempts. Barracuda blocked 2,133 incoming phishing/spam emails for the month of April. 7,953 additional emails were Quarantined.
- Graphus deleted 154 unsafe emails that made it through Barracuda. Of those unsafe emails Graphus identified an increase in cases of executive spoofing.
- Staff worked to complete the Dropbox to SharePoint for the migration of files. Staff anticipates May to be the last month for billing.
- Staff supported the General Superintendent with an eDiscovery for email recovery from 2016 on a property dispute.
- Staff worked with Intellisite/Epic IO to create an account for the General Superintendent in the VMS portal for monitoring live camera feeds on the Friant-Kern-Canal.

- Staff worked to renew Friant’s Cisco Umbrella licensing for DNS servers, ensuring no interruption to services was encountered.
- Staff provided support to the Orange Cove location during a network outage. Staff identified the cause of the outage and put together a proposal that is being executed for the equipment needed to bring Orange Cove back on the network.
- Staff worked to identify network equipment in need of replacement. Staff put quotes together for network equipment proposals to align with the FY2024 budget formulation.
- Staff provides the Administrative Assistant with budget formulation training.
- Staff identified and updated several old SQL driver managers on current accounting spreadsheets that were preventing staff from refreshing data pulled out of Great Plains.
- Staff supported the Administrative Assistant and Human Resources Risk Analyst by providing hot spot devices.
- Staff updated the Virtual Desktop Infrastructure (VDI) platform that supports the accounting department.
- Staff prevented an outage on Intellisite/Epic IO’s water orders portal by working with staff to permanently address a large docker file that has continued to max out the current drive allocation for the azetaEngine.
- Staff brought the primary SCADA server back online and performed maintenance on the viewX client to prevent another outage.
- Staff worked with Intellisite/Epic IO on a cradle point reset for the new platform at the Lindsay office.
- Staff received 52 Helpdesk tickets in April.



*Number of resolved Tickets submitted by the Department.*



*Time spent on Tickets submitted by Department. 1Day = 8hours  
1Week = 40hours*

## Agenda Report

No. 5.E.

**DATE:** May 25, 2023  
**TO:** Board of Directors  
**FROM:** Austin Ewell  
**SUBJECT:** Water Blueprint for the SJV

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### SUMMARY:

The Water Blueprint for the San Joaquin Valley (Blueprint) is a non-profit group of stakeholders, working to better understand our shared goals for water solutions that support environmental stewardship with the needs of communities and industries throughout the San Joaquin Valley.

**Blueprint's strategic priorities for 2022-2025:** Advocacy, Groundwater Quality and Disadvantaged Communities, Land Use Changes & Environmental Planning, Outreach & Communications, SGMA Implementation, Water Supply Goals, Governance, Operations & Finance.

Mission Statement: *"Unifying the San Joaquin Valley's voice to advance an accessible, reliable solution for a balanced water future for all."*

### Committees:

*Executive/Budget/Personnel:* Hallmark is facilitating the Blueprint's efforts to create a screening criterion for the identification of specific priorities to the San Joaquin Valley to be supported, pursued and accomplished.

*Advocacy/Communications:* Hallmark is assisting with a reorganization of the work groups and committees to better drive results. The Communications committee is utilizing its operation plan for creating and disseminating Blueprint communications. The Advocacy committee is establishing a charter to better help drive and provide for future advocacy.

### Water Blueprint SJV & CWI

The Blueprint and California Water Institute held a kickoff meeting at ACWA to review the scope and initiate the joint development of a Unified Water Plan for the San Joaquin Valley as called for in the recently awarded Bureau of Reclamation grant. A copy of that scope is attached.

### SJV/Delta Water Leaders' Summit

Blueprint planning committee will be meeting in June to re-coordinate and invite a select group of agricultural and water leaders from the San Joaquin Valley and the Delta region to meet and tour the Delta

and SJ Valley. The Summit meeting is tentatively set for 11/2-3 to ensure that full attention is given to protecting life and property, and after harvest.

### **Drinking Water Feasibility Study – CSU Fresno State, FWA, Self-Help, Sustainable Conservation**

The partners for the feasibility study have initially identified potential Fresno County districts/areas generally for recharge projects encompassing the Friant Place of Use boundaries. Initial modeling for Fresno State/California Water Institute has preliminarily identified FID, Consolidated ID, Raisin City WD and North Fork Kings GSA for strong multi benefit recharge potential. The group is focused on multi-benefits for recharge with a focus on drinking water with measurable results.

### **SJV Water Collaborative Action Program (SJVWCAP):**

Phase II, Work Groups are meeting and discussing priorities and drafting for their respective areas, Safe Drinking Water; Sustainable Water Supplies; Ecosystem Health; Land Use, Demand Reduction, Land Repurposing; Implementation.

### **RECOMMENDED ACTION:**

There is no recommended action at this time. The Board gave initial direction to pursue this collective effort and report back on its status.

## Unified Water Plan for the San Joaquin Valley

### Scope of Work

Lead: California Water Institute

#### Task 1: Project Administration

This objective includes the overall contract administration including contracting, billing, and financial reporting to meet Reclamation’s requirements.

##### Subtask 1.1 – Study Initiation

The Team shall prepare a Memoranda of Agreement (MOA), plan of study, and other project initiation activities.

##### Subtask 1.2 – Study Management

The Team will manage the development of the study, including monitoring and reporting on progress, budget, schedule, and work products. The Team will conduct regular project coordination meetings and activities with Reclamation.

#### Task 2: Stakeholder Engagement and Participation

This objective outlines how stakeholders throughout the Valley will be engaged in the development of the Report.

Stakeholder outreach and engagement on the status of the Report will be accomplished through established and ongoing stakeholder forums, including Blueprint Technical workgroup meetings; briefings to farm bureaus, water management agencies, commodity groups; and other outreach activities separately initiated by the Blueprint and other regional stakeholders. In addition, outreach will include discussions with state and federal agencies and non-governmental organizations that are actively working on water management issues in the Valley.

#### Task 3: Report Introduction

**Subtask 3.1** Reasons for the report Update

**Subtask 3.2** Consideration Factors

**Subtask 3.3** Overview of 2016 report

#### Task 4: Defining Problems, Needs, and Opportunities

This objective outlines the steps necessary to develop the initial understanding of the severity of water management problems in the region and describe the range of needs and potential opportunities related to the topics identified in PL 111-11.

##### Subtask 4.1 – Describe Existing and Future Conditions with No Action

Compile and review existing information to describe the future condition with no planned action. To the greatest extent possible, existing, and future conditions will be described using readily available information including, but not limited to:

## Unified San Joaquin Water Plan – Report

- Local GSP submitted to DWR
- Preliminary assessments of water supply and demand imbalances prepared by PPIC and DWR
- Identification of predictable changes in the future that will affect water supply such as the San Joaquin River Restoration and population growth
- Economic assessments prepared by PPIC
- Economic analyses by Professor David Sunding prepared for the Blueprint

To the extent possible with existing information, this objective will also describe how foreseeable and potential changes, such as the Voluntary Agreements and San Joaquin River Restoration, affect the water shortages. It also will identify the economic and social impacts if no imported supplies are brought to the Valley, and only regional trading of groundwater is facilitated.

### **Subtask 4.2 – Describe Range of Needs and Opportunities**

Based on information gathered in Objective 3.1, and in coordination with the Blueprint participants and other stakeholders, the range of needs for the topics addressed in Objective 3.1 will be described. This will include descriptions of opportunities for solutions to address multiple objectives and the range of participants required for their implementation.

This subobjective will also include preparing a statement of planning objectives, and will summarize water needs in each sub-basin, including existing water shortages, and unmet water needs in rural communities. This subobjective will also summarize the quantity of local supplies that could be reasonably captured and will describe the remaining projected water shortage in each subbasin after the implementation of plausible projects specified in GSPs.

### **Task : 5 Compile Measures to Address San Joaquin Valley Needs**

This objective outlines the steps necessary to gather existing project concepts, evaluate concepts for completeness, group them into portfolios to address the problems, range of needs, and range of opportunities identified in Objective 3.2.

Existing information that will be used to identify potential measures include:

- Flood stages, and corresponding flows for each San Joaquin Tributary and projections of peak flood events from DWR
- Subbasin-level assessments of currently unused high flow water derived from CDEC data
- Estimates of additional Delta supplies utilizing models developed for the Blueprint
- Identification at a subbasin-level opportunities for increased use of local supplies, the need for increased groundwater recharge, and the projects that have been proposed in GSPs

### **Subtask 5.1 – Initial Project Concept Identification**

## Unified San Joaquin Water Plan – Report

Existing studies and reports will be reviewed to identify potential project concepts that have been developed to address the topics identified in PL 111-11. Reports will include GSPs, IRWMPs, the SJRRP Investment Strategy, potential projects identified by stakeholders, and potential projects developed through the Blueprint. It is anticipated that existing reports and studies will provide information to support the following project concepts:

- Development of a conceptual environmental plan and estimation of environmental water needs by subbasin
- List of potential projects to increase a portion of uncaptured surplus water in the Sacramento-San Joaquin Delta and estimated yield of such projects
- Identification of areas potentially suitable for groundwater recharge projects
- Pre-feasibility descriptions and assessments of potential surface water storage projects
- Identification of potential water conveyance projects
- Identification of potential flood mitigation projects
- Identification of potential brackish water reclamation projects

Information regarding the proponents, potential beneficiaries, outputs, and costs will be compiled from existing sources and locations of compiled projects will be shown on maps.

### **Subtask 5.2 – Initial Project Completeness Evaluation**

The compiled list of potential project concepts will be evaluated using a variety of criteria including project size, scale of benefits, costs, location, and potential implementing entities. Additional project concept criteria including water rights, environmental regulatory requirements, and identification of other uncertainties will also be evaluated.

For each project identified, the following information will be summarized based on existing information:

- The availability and level of detail of engineering designs and cost estimates
- Estimated project benefits, both quantity of output and value
- Environmental resources considerations, including potential adverse and beneficial effects
- Regulatory compliance that will be required to implement the project
- Identify and address uncertainties

### **Subtask 5.3 – Describe Potential Portfolios to Address Identified Needs and Objectives**

The list of initial projects concepts developed in Subobjective 4.2 will be grouped into potential portfolios that could potentially meet the range of needs identified in Subobjective 3.2. The potential portfolios will be evaluated on how they meet the needs identified for the following topics: water quality; water supply (both surface, groundwater); water conveyance; water reliability; water conservation and efficient flood control; water resource-related environmental enhancement; and population

## Unified San Joaquin Water Plan – Report

growth. Potential portfolios will be evaluated based on a broad set of criteria, to be developed by the Team.

### **Subtask 5.4 – Water Plan Implementation Approach**

The Report will describe an implementation approach to increase the level of detail for a subset or all the potential portfolios identified in Subobjective 4.3. The implementation approach will include a broad set of criteria to evaluate projects within the potential portfolios. The Report will also identify roles of potential participants in the implementation of recommended portfolios, such as the Blueprint, GSAs, Federal agencies, and State agencies.

### **Task 6: Draft and Finalize Report**

This objective includes documenting the information gathered in Objective 3 and Objective 4 in a single Water Plan Report. This Report will meet the requirements of PL 111-11 and will be ultimately delivered to Congress.

#### **Subtask 6.1 – Draft and Finalize Report**

The Draft Report will be developed using the information developed in Objective 3 and Objective 4. The Draft Report will identify for each potential portfolio the potential role for Reclamation’s participation in the implementation. The Draft Report will be provided to Reclamation for review by the CGB Regional Office, the Commissioner’s Office, the Secretary of the Interior’s Office, and any other applicable federal agencies and/or offices. Comments received during each review will be incorporated into the Final Water Plan Report, which will be submitted to Congress.

The Report will address the criteria identified in PL 111-11 as follows:

- Water quality issues in each subbasin will be addressed by evaluating how new inter-regional projects will affect groundwater quality in subbasins
- Water Supply will be addressed in detail and will be the primary focus of the Report
- Water Conveyance analysis will include identifying facilities that may be beneficial in redistributing available new water supplies to storage and other beneficial uses in the Valley
- Water reliability will be addressed through the implementation of groundwater storage and banking
- Water use efficiency and conservation will be addressed by identifying programs already being implemented and planned in the Valley
- Flood control and mitigation will be addressed by identifying a general strategy for each subbasin, with a focus on how flood flows could be captured in local recharge facilitates, the quantity that could be captured through reservoir reoperation, how much could be diverted through new or existing conveyance facilities to other watersheds, and the extent to which downstream flood conveyance capacity could be expanded



## **Unified San Joaquin Water Plan – Report**

- Water resource-related environmental enhancement opportunities will be identified at a conceptual level
- Population growth will be described using existing population projections, and highlight locations in the Valley, if any, where population projections may lead to water shortages with full SGMA implementation

### **Criteria for Groundwater Recharge Site Selection**

- Disadvantaged Communities
  - o Disadvantaged Communities (80% of state median household income, \$67,278 - \$50,458)
  - o Severely Disadvantaged Communities (60% of state median household income, less than \$50,458)
- Number of individuals served in DAC
  - o Census blocks with highest number of people residing in rural area
- Number of wells
  - o Domestic wells providing drinking water
- Risk of Dewatering
  - o Groundwater level changes from 2018 to 2022
- Soil Texture/Infiltration Rate
  - o Soil Agriculture Groundwater Banking Index Score
- Depth of Groundwater
  - o Current Groundwater Depth
- Land cover, Land use
  - o Crop type/idle, focused on idle land and annual crops
- Groundwater Quality
  - o SAFER Groundwater quality risk assessment

## AGENDA REPORT

NO. 5.F.

**DATE:** May 25, 2023

**TO:** Board of Directors

**FROM:** Wilson Orvis, Chief Financial Officer

**SUBJECT:** San Luis & Delta Mendota Water Authority Update

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### SUMMARY:

Friant Water Authority staff engaged with San Luis & Delta-Mendota Water Authority (SLDMWA) via the Finance and Administration Committee (FAC) meeting on May 1, 2023 and the Board of Directors' (BOD) Meeting on May 4, 2023 as well as additional meetings throughout the month.

There were two items associated with SLDMWA over the last month that pertain to FWA operations: (1) San Joaquin River Releases to Mendota Pool and (2) Minimum Participation in Ratesetting Procedures.

#### San Joaquin River Releases to Mendota Pool:

- From April through July of 2022, due to a temporary interruption of service of sufficient quantities of substitute water to be conveyed through project facilities operated and maintained by SLDMWA, Reclamation released flows that bypassed Friant Dam down the San Joaquin River to the Mendota Pool to meet Exchange Contractor demand.
- FWA and SLDMWA are continuing to have discussions regarding how these releases are to be treated under the Memorandum of Understanding between FWA and SLDMWA.

#### Workshop(s) regarding Minimum Participation in Ratesetting Procedures:

- Based upon a recommendation from the Finance and Administration Committee, at the May 4, 2023 meeting, the SLDMWA Board of Directors approved a change in SLDMWA's practice regarding inclusion of minimum participation amounts in annual ratesetting procedures. This change has been long advocated by FWA and aligns SLDMWA practices with the minimum participation terms negotiated in the 1998 Memorandum of Understanding.



A large rectangular area for taking notes, featuring horizontal lines. On the left side, there are two decorative, overlapping shapes: a light blue one on top and a light green one on the bottom, both with a wavy, organic edge.